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Uniform Classification of Accounts



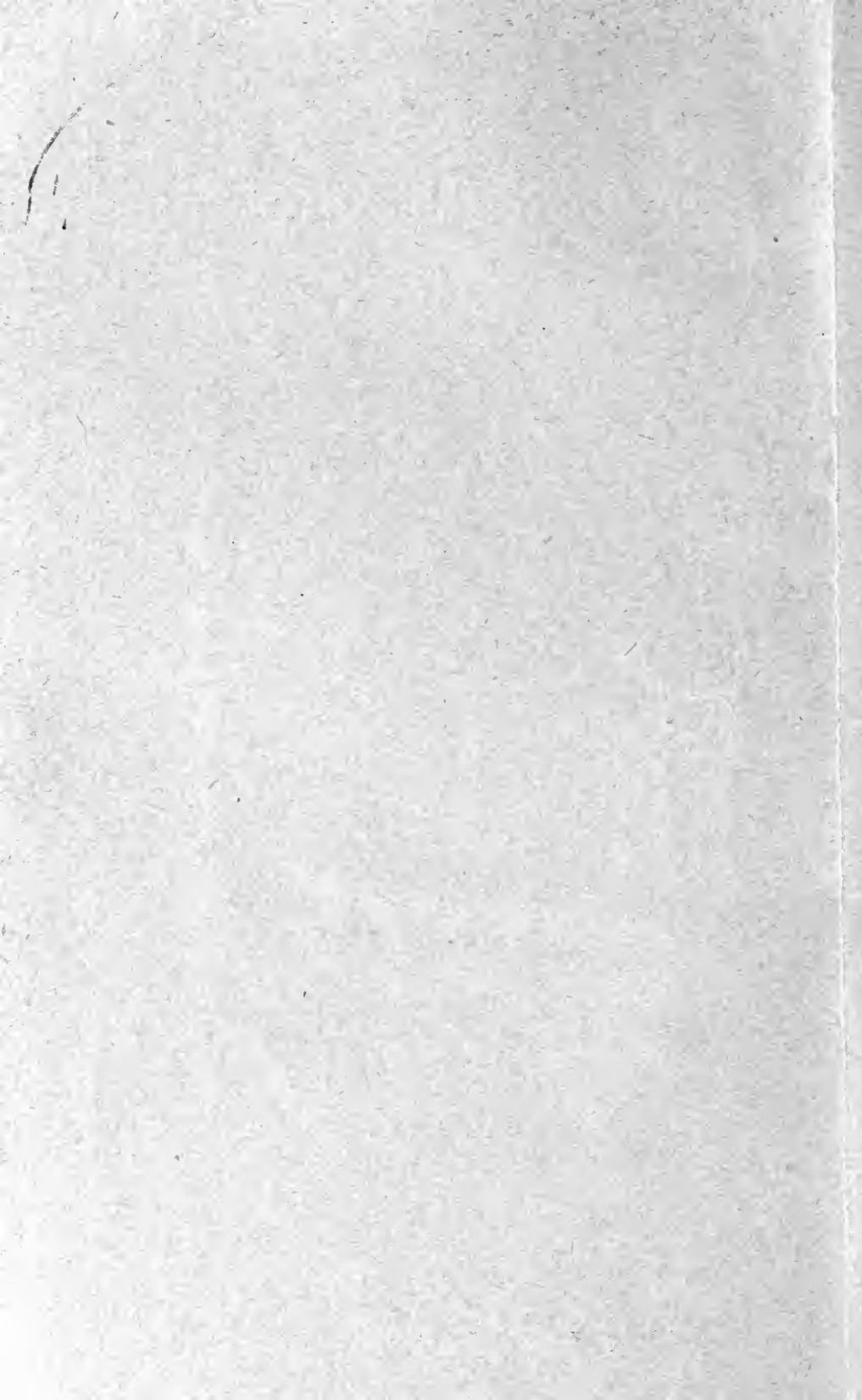
ELECTRIC UTILITIES

PREScribed BY THE

Railroad Commission of Wisconsin
December, 1908

THIRD EDITION

Madison, January, 1912



Uniform Classification of Accounts

FOR

ELECTRIC UTILITIES

PRESCRIBED BY THE

Railroad Commission of Wisconsin
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Unif. Class.
of Accounts

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Uniform Classification of Electric Accounts

PRESCRIBED BY THE

RAILROAD COMMISSION OF WISCONSIN.

Introductory Statement from First Edition.

MADISON, December 15, 1908.

To Wisconsin Electric Utilities:

This circular embraces the uniform classification of accounts for electric utilities prepared under the following provisions of chapter 499 of the Laws of 1907 known as the Public Utilities Law:

Uniform accounting by utilities, other business separate. SECTION 1797m—8. 1. Every public utility shall keep and render to the commission in the manner and form prescribed by the commission, uniform accounts of all business transacted.

Forms of bookkeeping; prescription. SECTION 1797m—9. The commission shall prescribe the forms of all books, accounts, papers and records required to be kept, and every public utility is required to keep and render its books, accounts, papers and records accurately and faithfully in the manner and form prescribed by the commission and to comply with all directions of the commission relating to such books, accounts, papers and records.

Report by utilities; items. SECTION 1797m—18. Each public utility shall furnish to the commission in such form and at such times as the commission shall require, such accounts, reports and information as shall show in itemized detail: (1) the depreciation per unit, (2) the salaries and wages separately per unit, (3) legal expenses per unit, (4) taxes and rentals separately per unit, (5) the quantity and value of material used per unit, (6) the receipts from residuals, by-products,

services or other sales separately per unit, (7) the total and net cost per unit, (8) the gross and net profit per unit, (9) the dividends and interest per unit, (10) surplus or reserve per unit, (11) the prices per unit paid by consumers; and in addition such other items, whether of a nature similar to those hereinbefore enumerated or otherwise, as the commission may prescribe in order to show completely and in detail, the entire operation of the public utility in furnishing the unit of its product or service to the public.

From time to time circulars have been issued explaining the general principles upon which the accounts to be kept were to be based, and what subdivisions were to be made, with the result that a considerable number of utilities have for some time had in operation a system which conforms substantially to that herewith submitted. It will be noticed by those utilities that the principal difference between this classification and that which they are now using, is in the title of certain accounts rather than in the subdivisions. The work in its present form is the result of an examination of accounting systems of practically all electric properties in this state, supplemented by numerous conferences with electric company officials and their committee on accounting. It is desired that those electric utilities which have not already conformed their accounts to this system will do so at their earliest convenience. It is possible that after an adequate trial, some alterations will be found expedient both from the standpoint of general experience and practice or because of local and individual conditions. For the present, however, this classification is adhered to and prescribed and upon it will be based the annual report to be made to the Railroad Commission. In the near future a detailed text of instructions to accompany this classification will be mailed to each utility.

Owing to the great difference in size of the properties it was found necessary to prepare two separate schedules which would recognize these conditions, and by each following the same general principles would permit comparison of operating results between the smallest and largest plants. Class B schedule is the basis upon which class A schedule has been founded, the latter being an unfolding and refinement of the former.

In general, electric utilities operating in cities of substantially 10,000 population or over will keep at least the list of accounts prescribed in class A classification, and all electric utilities operating in cities under 10,000 population will keep at least

the accounts prescribed in class B classification. Upon this basis of division the opportunity for development will determine the accounts to be kept rather than the development which has actually been made. Here again, local and individual conditions must be recognized to do full justice and in a number of instances it is possible that this arrangement must be arbitrarily varied upon sufficient cause shown to the Commission.

Any utility in class B desiring a more detailed classification than that prescribed for such class should open the accounts prescribed for class A, and any utility in class A desiring a more detailed system may go into as much subdivision and refinement of each of the submitted accounts as its interest requires, but must not re-arrange or combine any two or more of the accounts in such a manner as to interfere with the integrity of the general scheme and thus destroy the possibility for comparisons. A copy of all additional accounts and the desired subdivisions of the prescribed accounts must be filed with the Railroad Commission before such accounts are opened. All records and accounts, including those which are an enlargement, subdivision or refinement of the prescribed accounts, are to be open at all times to the examination of this Commission.

In order that this system may meet in a most satisfactory manner with the needs of the electric interests, consistent with the requirements of the Public Utilities Law, it is urged that all companies which are unable for any reason to conform to the accounts for the class in which they naturally come under the above arrangements, will communicate with this Commission, stating in full their reasons or conditions why special consideration should be given and an explanation of how complete a compliance with this system can be made.

RAILROAD COMMISSION OF WISCONSIN.

BY B. H. MEYER,

HALFORD ERICKSON,

JOHN H. ROEMER,

Commissioners.

SECOND EDITION.

MADISON, April 8, 1909.

To Wisconsin Electric Utilities:

This circular is a reprint of the Uniform Classification of Accounts for Electric Utilities prescribed by the Railroad Commission and issued under date of December 15, 1908, together with the Text of Instructions to accompany such classification, which was issued at a subsequent date. This edition differs from the first only in a slight rearrangement of some of the subject matter to correct ambiguities found to exist and a closer definition of terms used in the instructions.

RAILROAD COMMISSION OF WISCONSIN,

By B. H. MEYER,

HALFORD ERICKSON,

JOHN H. ROEMER.

Commissioners.

THIRD EDITION.

MADISON, January 15, 1912.

To Wisconsin Electric Utilities:

This pamphlet is a reprint of the second edition of the Text of Instructions relating to the Uniform Classification of Accounts for Electric Utilities as prescribed by the Railroad Commission and issued April 8, 1909. The only change to be noted is the inclusion of the class C group, designed to meet the needs of utilities operated in towns of under 3,000 population. No changes have been made in the text of the classification itself.

RAILROAD COMMISSION OF WISCONSIN.

By J. H. ROEMER,

HALFORD ERICKSON,

DAVID HARLOWE,

Commissioners.

INCOME ACCOUNTS.

INCOME ACCOUNT FORM FOR REPORT.

All Classes

OPERATING REVENUES.

Commercial Lighting Earnings	[Details].....
Municipal Contract Lighting Earnings	[Details].....
Commercial Power Earnings	[Details].....
Municipal Power Earnings	[Details].....
Sales of Electric Current to Other Public Utilities	[Details].....
Miscellaneous Earnings from Operation	[Details].....
Total Operating Revenues	.....

OPERATING EXPENSES.

Power	[Details].....
Transmission and Transformation	[Details].....
Storage	[Details].....
Distribution	[Details].....
Consumption	[Details].....
Commercial	[Details].....
General	[Details].....
Undistributed	[Details].....
Total of Above Items	.....
Depreciation	[Details].....
Contingencies (Extraordinary)	[Details].....
Taxes	[Details].....
Total Operating Expenses	.....
Net Operating Revenue or Deficit	.....
Non-Operating Revenues	[Details].....
Gross Income or Deficit	.....

DEDUCTIONS FROM GROSS INCOME.

Interest on Funded Debt	[Details].....
Interest on Real Estate Mortgages	[Details].....
Interest on Floating Debt	[Details].....
Contractual Sinking Fund Requirements	[Details].....
Amortization Reserve Requirements	[Details].....
Miscellaneous Deductions	[Details].....
Total	.....

Net Income or Deficit

DISPOSITION OF NET INCOME.	
Preferred Stock Dividends	[Details].....
Common Stock Dividends	[Details].....
Appropriations to Municipal Funds (Municipal Plants Only)	[Details].....
Other Payments from Net Income	[Details].....
Total	.....

Surplus or Deficit for Year.....

Surplus or Deficit at Beginning of Year	.....
Adjustments During Year [Profit and Loss Account]	.....
Surplus or Deficit at Close of Year [as per Balance Sheet]	.....

DETAILED ACCOUNTS WITH TEXT.

OPERATING REVENUES.

Commercial Lighting Earnings.

Credit this account with all revenues from consumers except municipalities for electric current supplied for commercial lighting purposes, including commercial arcs and incandescents, both where the revenue is dependent upon the quantity of energy taken as recorded by a meter and where such energy is sold at flat rates and independent of quantity taken per unit of time, demand or installation.

Commercial consumers as used in this account embrace residences, offices, retail mercantile establishments, etc., where electric energy is not used primarily for power or industrial purposes. Where some manufacturing or industrial processes are performed in any office, store, or residence, or appliances are operated as fans, sewing machine motors, motors for grinding in grocery stores, etc., such processes being merely incidental to the broader use of the premises as commercial lighting consumers and the current so used for industrial or power purposes is not separately metered, the total consumption at such premises shall be treated as commercial lighting. Where, however, the current used for such appliances, motors, etc., is metered separately the earnings from each class of service will be credited to the appropriate *Revenue* accounts.

When electric energy is sold both by meter and flat rates, the earnings from each such division shall be credited to subdivisions of this account and reported separately to the Railroad Commission as follows:

- a. Commercial Lighting Earnings—Flat Rate.*
- b. Commercial Lighting Earnings—Metered.*

Current sold to municipalities for lighting public buildings, not specifically included in the contract for public lighting, will be considered as commercial earnings and credited to this account or to its appropriate subdivision.

Where it is the custom of the utility to charge a minimum amount when the consumption during the month is less than a prescribed

amount, the total amount of such minimum charge shall be credited to this account or to its appropriate sub-account. Where it is the custom of the utility to grant a discount from the gross bill or to add a penalty to the bill where payment is not made on or before a prescribed date, such discounts or penalties shall be charged or credited to this account. Utilities desiring to do so may open sub-accounts to show separately the *Minimum Bill* and the *Discount or Penalty* items.

Municipal Contract Lighting Earnings.

Credit this account with the earnings from the sale of electric current to the municipality for public lighting service, embracing the lighting of streets, alleys, bridges, viaducts, parks, commons, etc., but not the lighting of public buildings, unless such are particularly included in the contract covering such public lighting. Where municipal buildings are not so included in the contract for public lighting, they are to be regarded as commercial consumers. If such lighting contract covers both arc lighting and incandescent lighting, sub-accounts shall be opened showing the revenue derived from each such service.

Commercial Power Earnings.

Credit this account with all revenue from the sale of electric current for power purposes to all consumers except municipalities, elec-

tric railways, and other electric utilities, for the purpose of re-sale, both where the service is dependent upon the quantity of energy taken as recorded by meter, and where such energy is sold at flat rates and independent of the quantity taken for any unit of time, demand or installation.

Where electric current is sold both by meter and flat rates, the earnings from each such division shall be credited to subdivisions of this account and reported separately to the Railroad Commission as follows:

- a. *Commercial Power Earnings—Flat Rate.*
- b. *Commercial Power Earnings—Metered.*

Where it is the custom of the utility to charge a minimum amount in cases where the consumption during the month is less than a prescribed amount, the total amount of such minimum charge shall be credited to this account or to its appropriate sub-account. Where it is the custom of the utility to grant a discount from the gross bill, or to add a penalty to the bill where payment is not made on or before a prescribed date, such discounts or penalties shall be charged or credited to this account. Utilities desiring to do so may open sub-accounts to show separately the *Minimum Bill* and the *Discount or Penalty* items.

Municipal Power Earnings.

Credit this account with all revenue from the sale of electric current for power purposes to municipalities.

Sales of Electric Current to Other Public Utilities.

Credit to this account all earnings derived from the sale of electric energy to other public utilities for the purpose of redistribution and sale, and to all electric and interurban railway corporations. Sub-accounts are to be opened for each such purchasing utility, the account showing the name of the purchasing utility, the amount of energy purchased and the total earnings from such sales, which details will be called for in the annual report to the Railroad Commission.

Miscellaneous Earnings from Operation.

Credit to this account all earnings received from the sale of electric energy and service and from operating transactions not properly includable in any of the preceding accounts.

NON-OPERATING REVENUES.

Profit on Merchandise Sales.

Credit to this account the receipts derived from the sale of electric appliances or electric merchandise as lamps, fans, flat-irons, heating appliances, motors, and other electric appliances for the utilization of electric energy. Profit, as used in this account, is defined as being the excess of the sales price over the cost, including the invoice cost, cost of handling, storage, etc. To this account shall be charged all expenses for labor and material in connection with the sale of such appliances or merchandise. The net amount only, or the profit on merchandise sales, is to be carried to the *Income Account* in the annual report. The credits and charges to this account will be made in such a manner as to admit of a detailed analysis when called for by the Railroad Commission.

NOTE:—Receipts from the sale of superseded apparatus, junk, or salvage, will not be credited to this account but to the *Depreciation Reserve*.

NOTE:—This account is included in the account *Miscellaneous Non-Operating Revenues* in class C.

Wiring and Installation Work.

Credit this account with all earnings derived from wiring and installation work performed by the utility for a stipulated profit or commission upon its actual outlay for labor, materials and expenses. This includes earnings from services performed on the consumers' premises, such as wiring buildings and structures for lighting or power purposes and rearranging such wiring and connected fixtures. If prospective consumers are charged for services performed by the utility in connecting the wired premises with the service connection or for placing the service wiring, such earnings shall be credited to this account. Where the cost of placing the service wire is charged to the property owner, such work shall not be included in tangible capital.

There will be charged to this account all expenses for labor and materials in connection with such operations, the net only or the profit from such wiring and installation work being carried to the *Income Account* in the annual report. The credits and charges to this account will be made in such a manner as to admit of a detailed analysis when called for the Railroad Commission.

NOTE:—This account is included in the account *Miscellaneous Non-Operating Revenues* in class C.

Rents From Lands and Buildings, Conduits, Pole Lines and Apparatus.

Credit to this account, as it accrues, all revenue from the rental of land and buildings and rentals received for the use of conduits, poles and other line supports and apparatus. Where the contract for the rental of any apparatus or appliances covers also the cost of connecting such apparatus and its maintenance, the entire revenue from such contract shall be credited to this account.

To this account shall be charged all expenses incurred in connection with the collection of rents, commissions and fees therefor; the cost of procuring tenants for buildings, drawing contracts and leases, advertising for tenants of such buildings; expenses of ouster proceedings, and taxes, unless the taxes are to be paid by the tenant. Any expenses accruing while land and buildings are idle, also repairs upon such property, will be charged to this account. Only the net revenue or profit from the above transactions will be carried to the *Income Account* in the annual report.

Credits and charges to this account are to be made in such a manner as to admit of a detailed analysis being made when called for by the Railroad Commission.

NOTE:—This account is included in the account *Miscellaneous Non-Operating Revenues* in class C.

Interest on Deposits.

Credit to this account all interest as it accrues on deposits of the utility funds with banks, trust companies or individuals. Interest on security investments will not be credited to this account but to the account *Interest and Dividends from Investments*. Interest on moneys belonging to any of the reserves of the utility will be credited to such reserves.

NOTE:—This account is included in the account *Miscellaneous Non-Operating Revenues* in class C.

Interest and Dividends From Investments.

Credit to this account all interest as it accrues upon interest-bearing securities which are liabilities, either actual or contingent, of solvent companies, cities or individuals, held as investments by the utility.

Credit to this account the cash value, as on the date when they become collectible, of dividends upon the stocks, preferred and common, of corporations held as investments by the utility.

A description of the securities whose yield is credited to this account will be called for in the annual report to the Railroad Commission.

NOTE:—This account is included in the account *Miscellaneous Non-Operating Revenues* in class C.

Appropriations From Municipal Funds (for Municipal Plants Only).

Credit to this account all appropriations made by the municipality to the funds of the accounting utility for operating purposes. This account applies only to municipally owned utilities.

NOTE:—This account is included in the account *Miscellaneous Non-Operating Revenues* in class C.

Miscellaneous Non-Operating Revenues.

Credit to this account all revenues from non-operating sources not includable in any of the preceding accounts.

Utilities are at liberty to open sub-accounts for the purpose of showing the revenues from any particular sources.

NOTE:—This account is included in the account *Miscellaneous Non-Operating Revenues* in class C.

OPERATING EXPENSE ACCOUNTS.

- I. POWER.
- II. TRANSMISSION AND TRANSFORMATION.
- III. STORAGE.
- IV. DISTRIBUTION.
- V. CONSUMPTION.
- VI. COMMERCIAL.
- VII. GENERAL.
- VIII. UNDISTRIBUTED.

NOTE:—In case any electric utility finds it impossible or impracticable to keep its accounts with the detail herein prescribed, it should petition the Railroad Commission for authority to consolidate any two or more accounts, accompanying its petition with such facts which in its judgment make the keeping of the detailed accounts impracticable.

Operating Expenses are intended to include all items of expense necessarily incurred in being prepared to serve or in serving the public as an electric utility. This includes the expense of maintaining intact the organization of the utility, the generation, distribution and sale of electric energy and all processes necessarily incident thereto, together with the collection of the revenues from such operations. In order that the *Operating Expenses* shall clearly reflect only the cost of rendering such public service, all expenses incident to the operation of any other utility service performed or of any transactions of a commercial nature shall be excluded therefrom.

Operating Expenses in the broadest significance of the term are divisible into two classes, viz., *Operation* and *Maintenance*.

Operation should be understood to mean the "use" of the property and includes labor, materials and supplies, and expenses, but excludes all *Maintenance* items.

Maintenance should be understood to mean "upkeep," and should cover all expenditures for current or ordinary repairs, renewals or replacements of property resulting through wear and tear, or through those casualties which are incidental to the nature of the operation and which expenditures are necessary in order to keep up the productive capacity of the plant to its original or equivalent state of efficiency. When, however, a complete replacement of any building or structure, facility or unit of equipment is made necessary regardless of such current expenditures, the uncurrent or extraordinary repairs, renewals or replacements made necessary will be charged to the *Depreciation Reserve* accumulated for that purpose.

The items includable in the above subdivisions except where some other meaning is clearly apparent from the language used in explaining the account shall be understood to have the following meaning:

The Cost of Labor shall be understood to cover not only wages paid for manual labor, but salaries and fees paid to persons engaged in clerical, engineering or supervisory occupations.

Materials and Supplies shall be understood to cover the substances or matter consumed in furnishing the electric service as required or authorized by law and embraces not only finished and unfinished products, but all expenses incurred in connection with their preparation for use and specifically chargeable against such products and also includes a portion of the stores expenses, if such materials and supplies pass through the stores department.

Hand Tools because of their liability to loss and theft and their rapid consumption in use are to be considered as operating supplies in the year in which they were purchased and charged to the account for the benefit of which they were purchased.

Expenses should be understood to mean all expenditures made or incurred which are chargeable to the accounts referred to and which are not *Labor* or *Materials and Supplies*.

I. POWER.

(A.) Steam Power Generation.

Superintendence.

Charge to this account the total cost of superintendence of the steam power generation plant. This account includes the salaries of the superintendent of power plant, chemists at plant, draftsmen, foremen and all clerical help upon records and accounts pertaining to steam power generation, whether at the general office or at the plant. Charge also with the proportion of the salaries of the engineering staff assignable to the steam power plant.

NOTE:—If energy is also generated by hydraulic power or gas power, the total cost of superintendence at the station will be apportioned over the corresponding *Superintendence* accounts.

NOTE:—This account is included in the account *Operating Labor* in class B and class C.

Engine Labor.

Charge to this account the cost of all labor engaged in operating steam prime mover equipment. This includes such labor as that of chief engineers and assistants, engineers, oilers, wipers, machinists and all other employes whose duties concern the operation of such steam prime movers. Exclude all maintenance labor.

NOTE:—This account is included in the account *Operating Labor* in class B and class C.

Electrical Labor.

Charge to this account all labor in connection with operating the electric apparatus and devices driven by steam power, beginning with the generators, direct connected or belted to the prime movers, and including the power plant switchboards, feeders, terminal board, and to where the electric current leaves the power plant switchboard for the transmission or distribution system. This account includes the salaries of system operators or load dispatchers, foremen over regulators, regulators and assistants, generator attendants, switchboard attendants, brushmen, electric wipers, power plant wiremen and all other employes whose duties are the operation of the steam power plant electrical equipment. Exclude maintenance labor.

NOTE:—If energy is also generated by hydraulic power or by gas power or both and such electric apparatus is attended jointly by the station electrical labor, such labor will be properly apportioned over the respective classes of *Power* accounts.

NOTE:—This account is included in the account *Operating Labor* in class B and class C.

Miscellaneous Labor.

Charge this account with the salaries and wages of all employes in and about the steam power generating plant, engaged in operating the plant, including watchmen, labor cleaning buildings and yards, janitors, messengers, and general labor not chargeable to any of the foregoing steam power plant operating labor accounts. Exclude maintenance labor.

NOTE:—If energy is also generated at the station by other than steam power, labor charges jointly incurred will be apportioned accordingly over the appropriate classes of *Power* accounts.

NOTE:—This account is included in the account *Operating Labor* in class B and class C.

Steam Generated.

The total expense of generating steam is to be determined through a group of accounts referred to as the *Steam Generation Apportionment Account*. Where a utility is furnishing but one public service from its boiler plant, the details of the steam expense will appear in the *Steam Generation Apportionment Account*, and the total expense as shown therein will be carried to this account in the *Power* group of accounts and so shown in the annual report to the Railroad Commission. Where, however, two or more utilities or services are making a demand upon the same boiler equipment, the total steam expense will be apportioned over the departments so using the steam equipment, and the apportioned share of the steam expense incurred for the benefit of the steam power generated energy will be carried to this account. If steam is used in the electric power plant for other purposes than the generation of current, the expense for steam will be further apportioned, charging the appropriate expense accounts.

Steam Purchased.

Charge to this account the cost of all steam purchases for prime-mover power in the electric power plant. It is desired that the account shall be so kept as to indicate the name of the company or individual from whom the steam was purchased, the amount of steam purchased and the terms under which it was so purchased.

Lubricants.

Charge to this account the cost of all lubricants for steam prime movers and machinery connected therewith in the steam power plant of the electric utility and also all lubricants used on electric apparatus driven by steam power. This includes cylinder oil, machine oil, dynamo oil, graphite and other lubricants, but does not include transformer oil, wagon grease or oil for lanterns.

NOTE:—This account is included in the account *Miscellaneous Power Plant Supplies and Expenses* in class B and class C.

Miscellaneous Power Plant Supplies and Expenses.

Charge this account with all operating supplies and expenses incurred in the generation of electric energy by steam power not chargeable to any of the preceding accounts. This includes such items as waste, packing, wipers, hand tools, gas and electricity for lighting, heating and cleaning power plant, laboratory, apparatus and supplies, ice, water for general use and fire protection, and all items of similar nature. Charge also with stationery, telephones, etc., if it is desired to distribute such expense.

NOTE:—Where current is also generated at the station by hydraulic power or gas power, the total cost of miscellaneous supplies and expenses as enumerated in this account will be apportioned over the respective classes of *Power* accounts.

NOTE:—This account is included in the account *Miscellaneous Power Plant Supplies and Expenses* in class B and class C.

Maintenance of Steam Engines and Turbines.

Charge this account with the expenses of all labor and materials incurred in repairing steam engines and steam turbines devoted to converting steam energy into mechanical energy for electric generation.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Power Plant Auxiliary Equipment.

Charge this account with the expense of all labor and material incurred in making repairs to the steam power plant auxiliary equipment, including condensers, vacuum pumps, oiling systems, the power transmission equipment such as shafting, belting, rope and cable drives, clutches, pulleys and idler wheels, and motors, hoists, cranes, blacksmiths' and machinists' tools, and all other accessory equipment other than hand tools, the cost of which is to be included in *Operating Expenses*.

NOTE:—If electric energy is also generated at the power plant by other than steam power, the cost of maintaining power plant auxiliary equipment used for the joint benefit of the different methods of generation, will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Power* accounts.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Generators.

Charge this account with the expense of all labor and material incurred in repairing generators, alternators and other electric generating apparatus driven by steam power, and with repairs to rotaries and motor-generator sets, exciters, etc., when not installed in connection with the transmission system.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Auxiliary Power Plant Electrical Equipment.

Charge to this account the expense of all labor and material incurred in repairing electric apparatus at the steam power generating plant not included in the account *Maintenance of Generators*. This includes bus-bars, regulators, cables, switchboards and other power plant electrical equipment such as circuit breakers, switches, ammeters, voltmeters, wattmeters, etc., together with their special foundations and settings and the terminal board. The maintenance of special high tension transmission equipment at the steam power plant, such as high tension bus-bars, high tension switchboards, high tension switches, high tension current transformers, high tension lightning arresters, high tension potential transformers, high tension reactive coils, high tension choke coils, high tension grounding devices and resistances, high tension raising and lowering transformers, etc., will also be charged to this account. The maintenance of wiring for lighting the power plant will not be charged to this account, but to the account *Maintenance of Power Plant Buildings, Fixtures and Grounds*.

NOTE:—If current is also generated at the station by gas power or hydraulic power, or both, the maintenance of all apparatus used jointly in generating current by the several methods will be apportioned over the appropriate *Maintenance* accounts in the respective groups of *Power* accounts.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Power Plant Buildings, Fixtures and Grounds.

Charge this account with the expense of all labor and material incurred in repairing buildings and structures, including permanent apparatus foundations, used exclusively for the generation of electric energy by steam power, and outbuildings, tool houses, etc.

NOTE:—If current is also generated by hydraulic power or gas power, or both, the maintenance of buildings, fixtures and grounds used jointly will be apportioned over the appropriate *Maintenance* accounts in the respective groups of *Power* accounts.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

I. POWER.**(B.) Gas Power Generation.****Superintendence.**

Charge to this account the total cost of superintendence of the gas power generating plant. This account includes the salaries of the superintendent of power plant, chemists at plant, draftsmen, foremen and all clerical help upon records and accounts pertaining to gas power generation, whether at the general office or at the plants. Charge also with the proportion of the salaries of the engineering staff assignable to the gas power plant. Exclude maintenance labor.

NOTE:—If energy is also generated by steam power or by hydraulic power, the total cost of superintendence at the station will be apportioned over the corresponding *Superintendence* accounts.

NOTE:—This account is included in the account *Operating Labor* in class B and class C.

Engine Labor.

Charge to this account the cost of labor operating gas prime mover equipment. This includes such labor as that of chief engineers and assistants, engineers, oilers, wipers, machinists and all other employes whose duties concern the operation of the gas power prime movers. Exclude maintenance labor.

NOTE:—This account is included in the account *Operating Labor* in class B and class C.

Electrical Labor.

Charge to this account all labor in connection with the operation of electric apparatus and devices driven by gas power, beginning with the generators directly connected or belted to the prime movers, and including the power plant switchboards, feeders, terminal board and to where the electric current leaves the power plant switchboard for the transmission or distribution system. This account includes the salaries of system operators or load dispatchers, foremen over regulators, regulators and assistants, generator attendants, switchboard attendants, brush men, electric wipers and power plant wire men, and all other employes whose duties are the operation of the gas power plant electrical equipment. Exclude maintenance labor.

NOTE:—If energy is also generated by steam power or hydraulic power, or both, and electrical apparatus is attended jointly by the station electrical labor, such labor will be properly apportioned over the respective classes of *Power* accounts.

NOTE:—This account is included in the account *Operating Labor* in class B and class C.

Miscellaneous Labor.

Charge this account with the salaries and wages of all employes in and about the gas power generating plant engaged in operating the plant, including watchmen, labor cleaning buildings and yards, janitors, messengers and general labor not chargeable to any of the foregoing gas power plant operating labor accounts. Exclude maintenance labor.

NOTE:—If energy is also generated at the station by other than gas power, labor charges jointly incurred will be apportioned accordingly over the appropriate classes of *Power* accounts.

NOTE:—This account is included in the account *Operating Labor* in class B and class C.

Power Gas Produced.

The total expense of producing power gas is to be determined through a separate group of accounts referred to as the *Power Gas Production Apportionment Account*. Where a company is operating but one utility or service from its producer gas plant, the details of the cost of such gas will appear in the *Power Gas Production Apportionment Account*, and the total of that group will be carried to this account in the *Power* group of accounts and so shown in the annual report to the Railroad Commission. Where, however, two or more utilities or services are making a demand for gas upon the same gas producer equipment, the total cost of producing such gas will be apportioned over the departments so using the producer gas equipment and the apportioned share of gas expense incurred for the benefit of the gas power generation of electric energy will be carried to this account.

Power Gas Purchased.

Charge this account with the cost of all gas purchased for the operation of gas prime movers in the generation of electric energy by gas power. This account should be so kept as to indicate the name of the company from which such gas was purchased, the amount purchased and the terms under which it was purchased.

Water for Cooling Engines.

Charge this account with the cost of all water used and expenses incurred in connection therewith for cooling gas prime movers.

NOTE:—This account is included in the account *Miscellaneous Power Plant Supplies and Expenses* in class B and class C.

Lubricants.

Charge to this account the cost of all lubricants for gas prime movers and machinery connected therewith in the gas power generation plant of the electric utility and also of lubricants used on electric apparatus driven by gas power. This includes cylinder oil, machine oil, dynamo oil, graphite and other lubricants, but does not include transformer oil, wagon grease or oil for lanterns.

NOTE:—This account is included in the account *Miscellaneous Power Plant Supplies and Expenses* in class B and class C.

Miscellaneous Power Plant Supplies and Expenses.

Charge this account with all operating supplies and expenses incurred in generating electric energy by gas power and not chargeable to any of the preceding accounts. This includes such items as waste, packing, wipers, hand tools, gas and electricity for lighting, heating, and cleaning station laboratory apparatus and supplies, ice, water for general use and fire protection, and items of similar nature. Charge also with stationery, telephones, etc., if it is desired to distribute such expenses.

NOTE:—Where current is also generated at the station by steam or hydraulic power, the total cost of the miscellaneous supplies and expenses as herein enumerated will be apportioned over the respective classes of *Power* accounts.

NOTE:—This account is included in the account *Miscellaneous Power Plant Supplies and Expenses* in class B and class C.

Maintenance of Gas Engines and Turbines.

To this account shall be charged the expense of all labor and supplies incurred in repairing gas engines and turbines devoted to the production of electric energy, including inlet valves, governors, ignition and starting apparatus. The maintenance of power transmission apparatus as shafts, belts, etc., will not be charged to this account.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Power Plant Auxiliary Equipment.

Charge this account with the expense of all labor and supplies incurred in repairs to auxiliary equipment in the gas power generating plant, including power transmission equipment such as shafting, belting, rope and cable drives, clutches, pulleys and idler wheels, motors, hoists, cranes, blacksmiths' and machinists' tools and all other gas power plant accessory equipment other than hand tools, the cost of which is to be included in operating expenses.

NOTE:—Where electric energy is also generated at the same plant by steam or hydraulic power, repairs to auxiliary equipment operated for the joint benefit of all methods of current generation will be apportioned over the respective classes of *Power* accounts.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Generators.

Charge this account with the expense of repairing generators, alternators and other electric generating apparatus driven by gas power and with repairs to rotaries and motor-generator sets, exciters, etc., when not installed in connection with the transmission system.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Auxiliary Power Plant Electrical Equipment.

Charge to this account the expense of all labor and supplies incurred in repairing electrical apparatus at the gas power generat-

ing plant not included in the account *Maintenance of Generators*. This includes bus-bars, regulators, cables, switchboards and other power plant electrical equipment such as circuit breakers, switches, ammeters, voltmeters, wattmeters, etc., together with their special foundations and settings and terminal board. The maintenance of special high tension transmission equipment at the gas power generating plant such as high tension bus-bars, high tension switchboards, high tension lightning arresters, high tension potential transformers, high tension reactive coils, high tension choke coils, high tension grounding devices and resistances, high tension raising and lowering transformers, etc., will also be charged to this account. The maintenance of wiring for lighting the power plant will not be charged to this account, but to the account *Maintenance of Power Plant Buildings, Fixtures and Grounds*.

NOTE:—If current is also generated at the station by steam power or hydraulic power, or both, the maintenance of all apparatus used jointly for current generated by the respective methods will be apportioned over the appropriate maintenance accounts in the respective groups of *Power* accounts.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Power Plant Buildings, Fixtures and Grounds.

Charge this account with the expense of all labor and material incurred in repairing buildings and structures, including permanent foundations for apparatus, used exclusively for the generation of electric energy by gas power, and out-buildings, tool houses, etc.

NOTE:—If current is also generated in the same general buildings and structures by steam power or hydraulic power, or both, the maintenance of buildings, fixtures and grounds used jointly will be apportioned over the appropriate *Maintenance* accounts in the respective groups of *Power* accounts.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

I. POWER.**(C.) Hydraulic Power Generation.****Superintendence.**

Charge to this account the total cost of superintendence of the hydraulic power generation plant. This account includes the salaries of superintendent of power plant, chemists at plant, draftsmen, foremen and all clerical help upon records and accounts pertaining to hydraulic power generation, whether at the general office or at the plant. Charge also with the proportion of the salaries of engineering staff assignable to the hydraulic power generation plant.

NOTE:—If electrical energy is also generated by steam or gas power, the total cost of superintendence at the station will be apportioned over the corresponding *Superintendence* accounts in the different classes of *Power* accounts.

NOTE:—This account is included in the account *Operating Labor* in class B and class C.

Hydraulic Labor.

Charge this account with the salaries and wages of all employes operating the hydraulic works, including foremen, gate-men, wheel-men, canal-men, patrollers of reservoirs, dams and channels, and all other employes whose duties concern the operation of the hydraulic power equipment. Exclude maintenance labor.

NOTE:—This account is included in the account *Operating Labor* in class B and class C.

Electrical Labor.

Charge to this account all labor in connection with operating electric apparatus and devices driven by hydraulic power, beginning

with the generators, direct connected or belted to the hydraulic motive power, and including the power plant switchboards, feeders, terminal board and to where the electric current leaves the power plant switchboard for the transmission or distribution system. This account includes the salaries of system operators or load dispatchers, foremen over regulators, regulators and assistants, generator attendants, switchboard attendants, brushmen, electric wipers, power station wiremen and all other employes whose duties are the operation of the hydraulic power plant electrical equipment. Exclude maintenance labor.

NOTE:—If energy is also generated by gas or steam power at the same station and such electric apparatus is attended jointly by the station electrical labor, such labor cost will be properly apportioned over the respective classes of *Power* accounts.

NOTE:—This account is included in the account *Operating Labor* in class B and class C.

Miscellaneous Labor.

Charge this account with the salaries and wages of all employes in and about the hydraulic power generating plant engaged in operating the plant, including watchmen, labor cleaning buildings and yards, janitors, messengers, and general labor not chargeable to any of the foregoing hydraulic power plant operating labor accounts. Exclude maintenance labor.

NOTE:—If energy is also generated at the station by other than hydraulic power, labor charges jointly incurred will be apportioned accordingly over the appropriate classes of *Power* accounts.

NOTE:—This account is included in the account *Operating Labor* in class B and class C.

Hydraulic Power Purchased.

Charge to this account the cost of all water purchased for the purpose of operating hydraulic motive power equipment for the generating of electric energy. It is desired that the account shall be so kept as to indicate the name of the company or individual from whom such water was purchased, the amount of water power purchased and the terms under which it was purchased.

Lubricants.

Charge to this account the cost of all lubricants for hydraulic prime movers and machinery connected therewith in the hydraulic power plant of the electric utility and also all lubricants used on electric apparatus driven by hydraulic power. This includes machine oil, dynamo oil, graphite and other lubricants, but does not include transformer oil, wagon grease or oil for lanterns.

NOTE:—If current is also generated at the station by other than hydraulic power, the total cost of lubricants used in the station will be apportioned over the respective classes of *Power* accounts.

NOTE:—This account is included in the account *Miscellaneous Power Plant Supplies and Expenses* in class B and class C.

Miscellaneous Power Plant Supplies and Expenses.

Charge to this account all operating supplies and expenses incurred in the generation of electric energy by hydraulic power and

not chargeable to any of the preceding operating accounts. This includes such items as waste, packing, wipers, hand tools, gas and electricity for lighting, heating and cleaning power plant, laboratory apparatus and supplies, ice, water for general use and fire protection, and all items of a similar nature.

Charge also with stationery, telephones, etc., if it is desired to distribute such expenses.

NOTE:—Where current is also generated at the station by other than hydraulic power, the total cost of such miscellaneous supplies and expenses as herein enumerated will be apportioned over the appropriate accounts in the respective classes of *Power* accounts.

NOTE:—This account is included in the account *Miscellaneous Power Plant Supplies and Expenses* in class B and class C.

Maintenance of Dams, Canals and Flumes.

Charge to this account the expense of all labor and supplies incurred in repairing hydraulic structures. Such structures include dams, embankments, etc., for impounding water and all appurtenant gates, valves, weirs, waste ways, canals, conduits and other channels (including riprap, lining walls, etc.), pipe lines, flumes, aqueducts and supporting trestles, forebays and appurtenant sieves and grids, wasteways, etc., all viaducts, bridges, foot bridges, etc., over and accessory to or necessitated by such canals, aqueducts and flumes, and also the wasteways conducting water from the outlet of the draft-tube to the point of final discharge.

NOTE:—This account is included in the account *Maintenance of Hydraulic Power Works* in class B.

NOTE:—This account is included in the account *Maintenance of Hydraulic Power Works, Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Turbines and Water Wheels.

Charge to this account the expense of all labor and supplies incurred in repairing the hydraulic motive power, including head gates, penstocks, wheel gates, wheel governors, valves, turbines, water wheels, draft-tubes and connections. The maintenance of power transmission apparatus as shafts, belts, etc., will not be charged to this account.

NOTE:—This account is included in the account *Maintenance of Hydraulic Power Works* in class B.

NOTE:—This account is included in the account *Maintenance of Hydraulic Power Works, Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Power Plant Auxiliary Equipment.

Charge this account with the expense of all labor and supplies incurred in repairs to the hydraulic power plant auxiliary equipment, including power transmission equipment such as shafting, belting, rope and cable drives, clutches, pulleys and idler wheels, motors, hoists, cranes, blacksmiths' and machinists' tools, and all other accessory equipment other than hand tools, the cost of which is to be included in operating expenses.

NOTE:—If electrical energy is also generated at the station by other than hydraulic power, the cost of maintaining power plant auxiliary equipment used for the joint benefit of the different methods of generation, will be apportioned over the appropriate *Maintenance* accounts in the respective classes of *Power* accounts.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Hydraulic Power Works, Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Generators.

Charge this account with the expense of all labor and supplies incurred in repairing generators, alternators and other electric generating apparatus driven by hydraulic power and also with the repairs to rotaries and motor-generator sets, exciters, etc., when not installed in connection with the transmission system.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Hydraulic Power Works, Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Auxiliary Power Plant Electrical Equipment.

Charge to this account the expense of all labor and supplies incurred in repairing electrical apparatus at the hydraulic power generating plant not included in the account *Maintenance of Generators*. This includes bus-bars, regulators, cables, switchboards and other power plant electrical equipment such as circuit breakers, switches, ammeters, voltmeters, wattmeters, etc., together with their special foundations and settings and the terminal board. The maintenance of special high tension transmission equipment at the power plant such as high tension bus-bars, high tension switchboards, high tension switches, high tension current transformers, high tension lightning arresters, high tension potential transformers, high tension reactive coils, high tension choke coils, high tension grounding devices and resistances, high tension raising and lowering transformers, etc., shall also be charged to this account. The maintenance of wiring for lighting the hydraulic power plant will not be charged to this account but to the account *Maintenance of Power Plant Buildings, Fixtures and Grounds*.

NOTE:—If energy is also generated at the station by other than hydraulic power, the maintenance of all apparatus used for the joint benefit of the several methods of generation will be apportioned over the appropriate *Maintenance* accounts in the respective classes of *Power* accounts.

NOTE:—This account is included in the account *Maintenance of Power Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Hydraulic Power Works, Power Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Power Plant Buildings, Fixtures and Grounds.

Charge this account with the expense of all labor and material incurred in repairing buildings and structures, including permanent foundations for apparatus, used exclusively for the generation of electrical energy by hydraulic power, and out-buildings, tool houses, etc:

NOTE:—If current is also generated by other than hydraulic power, the maintenance of buildings, fixtures and grounds used for the joint benefit of the several methods of generation will be apportioned over the appropriate *Maintenance* accounts in the respective classes of *Power* accounts.

I. POWER.**(D.) Electric Current Purchased.****Commercial Electric Current Purchased.**

Charge this account with the cost of all electric current purchased for the purpose of re-distribution and sale. Sub-accounts are to be opened with each company or individual from whom such current is purchased, the account showing the name of the selling company or individual, the amount of current in kilowatt hours purchased, the rate per kilowatt hour and the total cost of such current, which details will be called for in the annual report to the Railroad Commission.

I. POWER.**(E.) Steam Generation (Apportionment Account).****Operating Labor.**

Charge this account with all operating labor employed in connection with the generation of steam. This account will be charged with the salaries of superintendent of boiler house, boiler house foremen, firemen, helpers, shovellers, weighers, feed-pump men, stokers, water purification labor, blowing flues, cleaning boilers, labor employed at the boiler plant in handling coal and ashes, boiler plant janitors, watchmen, etc. If the general superintendent of the power plant has charge of the boiler plant, a proportion of his salary will be charged to this account. Exclude maintenance labor.

Fuel for Steam.

Charge to this account all fuel used for steam, whether coal, oil, gas or other fuel, at the cost f. o. b. point of delivery at plant for

storage. This includes the invoice cost of the fuel, freight, switching, demurrage, cost of unloading from cars or boats to wagons and cartage to point of delivery at the plant for storage.

Credit the *Fuel Stock* account with fuel as used.

Water for Steam.

Charge this account with the actual amount of water used for boiler feed and condensing purposes. If the water is purchased, charge at the contract price or the meter rate. If water is pumped by the accounting utility, charge here the cost of pumpage. Water for fire protection and general purposes should not be charged to this account.

Miscellaneous Steam Supplies and Expenses.

Charge to this account all operation supplies and expenses at the boiler plant not chargeable to the preceding accounts, as boiler room records, boiler compounds, boiler inspection, water purification supplies and expenses, water for fire protection and general use, light and heat at the boiler plant, telephone service, hose packing, gaskets boiler hand tools, lubricants, gauge glasses, etc.

Maintenance of Boilers and Boiler Auxiliary Equipment.

Charge this account with all expense of labor and material used in repairing furnaces and boilers, special boiler foundations and settings, iron and steel smoke-stacks, feed pumps, water feed pipe, injectors, economizers, water heaters, superheaters, valves, grates, flues, mechanical stoker equipment, boiler room piping from the boiler to the engine throttle valve, steam exhaust system, boiler water supply mains, pumping equipment and similar auxiliary equipment.

NOTE:—This account is included in the account *Maintenance of Boiler Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Boiler Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Coal and Ash Handling Equipment.

Charge this account with all expense of labor and material incurred in repairing coal and ash conveyors in the boiler plant, embracing trolley and cable towers, crushers, belt links, wheels, chutes and gates, conveyor cars, winches, motors, buckets, shafts, chains, etc.

NOTE:—This account is included in the account *Maintenance of Boiler Plant Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Boiler Plant Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Boiler Plant Buildings, Fixtures and Grounds.

Charge to this account all expense of labor and material incurred in repairs to buildings, fixtures and grounds, including permanent

foundations for apparatus, used exclusively for the generation of steam. If the boiler plant equipment is housed in one of the general works buildings, the repairs to such buildings will be apportioned so as to charge to this account the proper proportion of the total cost of repairs to such jointly occupied buildings.

I. POWER.

(F.) Power Gas Production (Apportionment Account).

Gas Producer Operating Labor.

Charge this account with all operating labor engaged in the production of power gas, including the handling of fuel from the storage pile to the gas generators building and handling of residuals from said building to the point where residuals are placed when removed from the building. Exclude maintenance labor.

Gas Producer Fuel.

Charge this account with the cost of all fuel used for producing gas for power purposes at the cost f. o. b. point of delivery at the plant for storage and crediting the appropriate *Stock Account* with the fuel as used.

Gas Producer Water.

Charge this account with the cost of all water used in the production of gas for power purposes. If water is purchased, charge at the contract or meter rate. If water is pumped by the accounting utility, charge here the cost of pumpage.

Miscellaneous Gas Producer Supplies and Expenses.

Charge this account with the cost of all operating supplies and expenses incurred in the production of gas for power purposes not chargeable to any of the preceding gas power production operating accounts. Exclude maintenance supplies.

Maintenance of Gas Producers and Gas Producer Equipment.

Charge this account with the expense of all labor and material incurred in repairing apparatus used for the production of gas to be used for power purposes in the generation of electric energy. Also charge with the cost of repairing gas conductor and exhaust pipe and other auxiliary gas producer apparatus. This includes producers, economizers, regenerators, vaporizers, steam injectors, scrubbers, exhauster outfits, cells, specially provided boilers and pumps, flues and pipe, blower engines, holders, and all similar auxiliary equipment.

NOTE:—This account is included in the account *Maintenance of Gas Producer Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Gas Producer Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Coal and Ash Handling Equipment.

Charge this account with the expense of all labor and material incurred in repairing coal and ash conveyors in the power gas production plant, embracing trolley and cable towers, crushers, belt links, wheels, chutes and gates, conveyor cars, winches, motors, buckets, shafts, chains, etc.

NOTE:—This account is included in the account *Maintenance of Gas Producer Equipment* in class B.

NOTE:—This account is included in the account *Maintenance of Gas Producer Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of Gas Producer Buildings, Fixtures and Grounds.

Charge to this account the expense of all labor and material incurred in repairs to buildings, fixtures and grounds, including permanent foundations for apparatus, used exclusively for the production of power gas to be used in the generation of electric energy. If the gas producer apparatus is housed in one of the general power plant buildings, the repairs to such buildings, fixtures and grounds will be apportioned so as to charge to this account the proper proportion of the total cost of repairs to such jointly occupied buildings.

I. POWER.**(G.) Electric Power (Apportionment Account).****Electric Utility Proportion of Total Power.**

Charge this account with the proper proportion of the total cost of electric power generated. This account will be raised by those plants

operating two or more utilities using electric energy. In such cases the power accounts as prescribed will be opened, the entire group of such accounts being regarded as an apportionment account and the total cost of power will be apportioned over the several utilities making a demand for power, charging to this account the proportion of the total cost of power generated properly chargeable to the electric utility.

II. TRANSMISSION AND TRANSFORMATION.

Inspecting and Patrolling Transmission System.

Charge this account with all labor engaged in inspecting and patrolling the transmission system between the high tension switch-board at the point of generation to the sub-stations or transformer stations, including the testing of the line. Exclude maintenance labor.

NOTE:—This account is included in the account *Operation of Transmission and Transformation System* in class C.

Sub-Station and Transformer Station Operating Labor.

Charge to this account the cost of all operating labor employed in the superintendence and operation of sub-stations and transformer stations, including salaries and wages of regulators, brushmen and other employes engaged in operating the electric equipment, also the wages of clerks, janitors, watchmen, etc., at such sub-stations and transformer stations.

NOTE:—This account is included in the account *Operation of Transmission and Transformation System* in class C.

Sub-Station and Transformer Station Supplies and Expenses.

Charge this account with the cost of all operating supplies consumed and expenses incurred in connection with the operation of sub-stations and transformer stations, such as rent, light, heat, hand tools, waste, wipers and similar items. Charge also with the cost of telephones, stationery, etc., if it is desired to distribute such expenses.

NOTE:—This account is included in the account *Operation of Transmission and Transformation System* in class C.

Maintenance of Transmission System.

Charge to this account the expense of all labor and material incurred in making repairs to the transmission system. This includes repairs and renewals of underground transmission conduits, manholes, sewer connections, sewer traps, and paving; replacement and renewal of poles, painting poles, removing and resetting poles, repairing poles and pole fixtures, cross-arms, insulator pins, insulators, braces, brackets and other pole fixtures and appliances; guys and other supports for holding poles, towers and other structures in position; also replacement and renewal of towers, painting towers, repairs to towers and other appliances for supporting the overhead transmission system and the replacement and renewal of transmission conductors between the generating plant and the sub-station. The cost of maintaining poles, towers and other supporting fixtures which carry both transmission and distribution conductors should be apportioned between this account and the account *Maintenance of Overhead Distribution System* or *Maintenance of Underground Distribution System* as determined by the nature of the conductor.

NOTE:—This account is included in the account *Maintenance of Transmission and Transformation System* in class C.

Maintenance of Sub-Station and Transformer Station Equipment.

Charge to this account the expense of all labor and material incurred in repairing apparatus in the sub-stations and transformer stations, including transformers, boosters, rotary converters, motor-generator sets, station cables, switchboards and instruments, station terminal boards, etc.

NOTE:—This account does not include the cost of repairing storage battery equipment.

NOTE:—This account is included in the account *Maintenance of Transmission and Transformation System* in class C.

Maintenance of Sub-Station and Transformer Station Buildings, Fixtures and Grounds.

Charge this account with the expense of all labor and material incurred in repairing sub-station and transformer station buildings, fixtures and grounds, together with all permanent fixtures therein and appurtenant thereto, including work on streets, drives, sidewalks, vaults, pits, sheds and permanent foundations of apparatus.

NOTE:—This account is included in the account *Maintenance of Transmission and Transformation System* in class C.

III. STORAGE.**Storage Battery Operating Labor.**

Charge this account with the cost of all operating labor employed in the superintendence and operation of storage batteries, including wages of clerks, inspectors, testers, battery men, etc., and labor incident to the operation of boosters. Exclude maintenance labor.

NOTE:—This account is included in the account *Operation of Storage Battery* in class C.

Storage Battery Supplies and Expenses.

Charge this account with the cost of all storage battery operating supplies and expenses, embracing such items as acid and distilled water used in the storage battery cells, soda, sponges, brooms, waste, rags, hydrometers, thermometers, automatic cell fillers, brushes for boosters and compensators, etc. Exclude maintenance supplies.

NOTE:—This account is included in the account *Operation of Storage Battery* in class C.

Maintenance of Storage Battery Equipment.

Charge this account with the expense of all labor and material incurred in repairing storage battery equipment, as storage battery tanks, switches, regulating apparatus, boosters, compensators, renewal or worn out cells, including diaphragms, negative and positive plates, lead in strip, spelter, dry boards, tin bands, sheet lead, glass plates, glass covers, hydrogen generators, jumpers, clamps, lamp black and items of a similar nature.

NOTE:—This account is included in the account *Maintenance of Storage Battery* in class C.

Maintenance of Storage Battery Buildings, Fixtures and Grounds.

Charge to this account the expense of all labor and material incurred in repairing buildings, fixtures and grounds used exclusively for storage battery purposes. If the storage battery is housed in one of the general power plant buildings or in the sub-station or

transformer station buildings, the repairs to such buildings, fixtures, and grounds will be apportioned so as to charge to this account the proper proportion of the total cost of repairs to such jointly occupied buildings.

NOTE:—This account is included in the account *Maintenance of Storage Battery* in class C.

IV. DISTRIBUTION.

Labor Inspecting, Removing and Resetting Transformers.

Charge this account with all labor employed in removing and resetting transformers, either on the premises of the consumer or on poles adjoining such premises, and all inspection of transformers and their replacement in the course of their periodical test and inspection. Exclude maintenance labor.

NOTE:—The cost of the original setting of each transformer will be charged to the construction account *Transformers*.

NOTE:—This account is included in the account *Distribution System Operating Labor* in class B and class C.

Labor Removing and Resetting Meters.

Charge to this account all labor employed in removing and resetting meters on the premises of consumers and placing meters in the course of regular and periodical inspection of meters. Exclude maintenance labor.

NOTE:—The cost of the original setting of each meter will be charged to the construction account *Meters*, if such is the policy of the accounting utility.

NOTE:—This account is included in the account *Distribution System Operating Labor* in class B and class C.

Labor Inspecting and Testing Meters.

Charge this account with all labor employed in testing and inspecting meters both on the premises of consumers and in the meter shop of the utility. Exclude maintenance labor.

NOTE:—This account is included in the account *Distribution System Operating Labor* in class B and class C.

Miscellaneous Distribution System Operating Labor.

Charge this account with all operating labor employed in the distribution system not chargeable to any of the preceding operating labor accounts. Exclude maintenance labor.

NOTE:—This account is included in the account *Distribution System Operating Labor* in class B and class C.

Meter Department Supplies and Expenses.

Charge this account with all supplies consumed and expenses incurred in connection with the operation of the meter department. Tools used in this department, together with the repairs upon the same, will be charged to this account unless such tools are included in the tangible capital of the utility. Expenses such as light, fuel, supplies, rent, and electricity used for operating machinery and for

testing in this department, and other similar items, will be charged to this account. This account will embrace all meter expenses not included in the meter labor accounts and the account *Maintenance of Meters*. Exclude maintenance supplies.

NOTE:—This account is included in the account *Distribution System Supplies and Expenses* in class B and class C.

Miscellaneous Distribution System Supplies and Expenses.

Charge this account with the cost of all supplies consumed and expenses incurred in connection with the operation of the distribution system and not chargeable to any of the preceding distribution operating accounts. There will be charged to this account the cost of maps and records, distribution office supplies and expenses and distribution office rent, where such expense is directly chargeable. Exclude maintenance supplies.

NOTE:—This account is included in the account *Distribution System Supplies and Expenses* in class B and class C.

Maintenance of Overhead Distribution System.

Charge to this account all expenditures for repairs and renewals of overhead distribution system, including labor, materials, tools and expenses. This embraces replacement and renewal of poles, paint-

ing poles, removing and resetting poles, repairing poles, pole fixtures and appliances, including cross-arms, insulators, insulator pins, braces, brackets and other pole fixtures and appliances; guys and other supports for holding poles, towers or other structures in position; also replacements and renewals of towers and painting towers. Repairs to towers or other structures or appliances for supporting fixtures which carry both transmission and distribution conductors should be apportioned between this account and the account *Maintenance of Transmission System*.

NOTE:—This account is included in the account *Maintenance of Distribution System* in class B and class C.

Maintenance of Underground Distribution System.

Charge to this account all expenditures for repairs and renewals of underground distribution system, including labor, materials, tools and expenses. This includes repairs and renewals of underground distribution system conduits, manholes, sewer connections, sewer traps and paving; repairs and renewals of underground distribution system conductors; repairs and renewals of underground tube system, including coupling boxes, tubing, junction boxes, manholes and paving in connection therewith; also repairs or renewals of underground distribution system service connections. The cost of maintaining conduits which carry both transmission system conductors and distribution system conductors should be apportioned between this account and the account *Maintenance of Transmission System*.

NOTE:—This account is included in the account *Maintenance of Distribution System* in class B and class C.

Maintenance of Transformers.

Charge this account with the expense of all labor and materials incurred in maintaining transformers, including renewing oil, repainting, rewinding and repairs to switches and transformer devices which are the property of the utility on the consumers' premises.

NOTE:—This account is included in the account *Maintenance of Distribution System* in class C.

Maintenance of Meters.

Charge this account with the expense of all labor and materials incurred in repairing meters in the distribution system, including readjusting and painting old meters, new meter parts, new jewels, cleaning meters, and changing meters for routine tests.

V. CONSUMPTION.**Trimming and Inspecting Lamps.**

Charge this account with the labor of trimming and inspecting all arc lamps operated, patrolling arc lamp circuits, inspecting incandescent lamps operated, locating open circuits, crosses on circuits, and other lamp operating labor. Exclude maintenance labor.

NOTE:—Where the contracts under which lamps are being operated require the utility to inspect and trim such lamps, entries to this account shall be made in such a manner as to permit of their classification in order to show the

following two items which will be called for in the annual report to the Railroad Commission:

a. Trimming and Inspecting Commercial Lamps.

b. Trimming and Inspecting Municipal Contract Lamps.

Where the expenses chargeable to this account are not directly assignable to either of the two subdivisions, such total unassignable amount shall be apportioned over the two subdivisions upon the lamp-hour basis.

Lamp Supplies.

Charge this account with all operating supplies and materials used in connection with the operation of arc lamps. This includes the cost of carbons, globes, waste, reflectors, ropes and cables for supporting lamps, pulleys, etc., crediting *Lamps and Lamp Supplies* stock account with material used.

NOTE:—Where the contracts under which lamps are operated require the utility to furnish such lamp supplies, entries to this account shall be made in such a manner as to permit of their classification in order to show the following two items which will be called for in the annual report to the Railroad Commission:

a. Commercial Lamp Supplies.

b. Municipal Contract Lamp Supplies.

Where the expenses chargeable to this account are not directly assignable to either of the two subdivisions, such total unassignable amounts shall be apportioned over the two subdivisions upon the lamp-hour basis.

Incandescent Lamp Renewals.

Charge this account with the cost of renewal of incandescent and Nernst lamps on consumers' premises and also renewing such lamps

included in the contract for municipal lighting. Also include the cost of photometering incandescent lamps. Credit *Lamps and Lamp Supplies* stock account with lamps renewed.

NOTE:—Where the contracts under which such lamps are operated require the utility to renew such lamps, entries to this account shall be made in such a manner as to permit of their classification in order to show the following two items which will be called for in the annual report to the Railroad Commission:

- a. Commercial Incandescent Lamp Renewals.*
- b. Municipal Contract Incandescent Lamp Renewals.*

Where the expenses chargeable to this account are not directly assignable to either of the two subdivisions, such total unassignable amounts shall be apportioned over the two subdivisions upon the lamp-hour basis.

Miscellaneous Consumption Supplies and Expenses.

Charge this account with the cost of all supplies and expenses incident to the consumption and utilization of electric energy not chargeable to any of the preceding accounts or to the succeeding account, *Customers' Premises Expenses*. This will include the cost of setting and removing arc lamps, incandescent lamps and fixtures installed in streets, alleys, parks, public grounds, etc., but not the original installation in case such cost is included in tangible capital.

NOTE:—Where contracts require the utility to inspect and operate upon a specified basis, the entries to this account shall be made in such a manner as to permit of their classification in order to show the following two items which will be called for in the annual report to the Railroad Commission:

- a. Miscellaneous Commercial Consumption Supplies and Expenses.*
- b. Miscellaneous Municipal Contract Lighting Supplies and Expenses.*

Where the expenses chargeable to this account are not directly assignable to either of the two subdivisions, such total unassignable amount shall be apportioned over the two subdivisions upon the lamp-hour basis.

Customers' Premises Expenses.

Charge to this account all expenditures made in connection with maintaining the efficiency of customers' installations on their premises for which no charge is made to the customers. This should include expenses incurred in investigating complaints, changing meters for request tests, placing and testing meters on customers' premises, inspecting and testing new wiring and fixtures, wiring customers' premises, repairing wiring and fixtures, inspecting, cleaning and repairing electrical appliances on consumers' premises, and similar items of expense.

Maintenance of Lamps.

Charge this account with the expense of all labor and supplies incurred in the repair and renewals of lamps and lamp equipment. This includes the cost of removing lamps and lamp equipment, repairing and renewals of lamps in the utility's repair shop, readjusting lamps and lamp equipment, renewal of defective parts, renewal of cut-outs, repairs and renewal of mast-arms, hangers, etc., replacement and renewal of lamp poles, painting lamp poles, straightening lamp poles, etc.

NOTE:—Where contracts require the utility to maintain such lamps, entries to this account shall be made in such a manner as to permit of their classification in order to show the following two items which will be called for in the annual report to the Railroad commission:

- a. Maintenance of Commercial Lamps.*
- b. Maintenance of Municipal Contract Lamps.*

Unassignable items will be apportioned upon the lamp-hour basis.

VI. COMMERCIAL.

Collection Salaries and Commissions.

Charge this account with all salaries of the collection department employes from the taking of applications for electric service to the depositing of proceeds from collection in the bank. This includes not only the salaries of employes whose entire time is engaged in the collection department, but the proper proportion of the salaries of employes who are partly engaged in other departments. Charge also with fees and commissions paid for collecting bills.

NOTE :—This account is included in the account *Collection Expenses* in class B.
NOTE :—This account is included in the account *Commercial Expenses* in class C.

Reading Meters and Delivering Bills.

Charge this account with all salaries and wages of meter readers and employes engaged in delivering bills for electric current.

NOTE :—This account is included in the account *Collection Expenses* in class B.
NOTE :—This account is included in the account *Commercial Expenses* in class C.

Collection Supplies and Expenses.

Charge this account with all supplies and expenses of the electric utility collection office, not otherwise provided for, including supplies and expenses of outside collectors and meter readers. Stationery,

stamps, etc., and surety bonds of collection department employes will also be charged to this account if it is desired to distribute such expenses.

NOTE:—This account is included in the account *Collection Expenses* in class B.
NOTE:—This account is included in the account *Commercial Expenses* in class C.

Uncollectible Accounts (Reserve Charge).

Charge to this account each month, making a corresponding credit to the *Uncollectible Accounts Reserve*, an amount which is estimated by its uniform application throughout the year will yield to such reserve fund an amount sufficient to cover all accounts for electrical energy which become uncollectible and are charged to the reserve account because of the removal of the debtor beyond the jurisdiction of the state, the operation of the Statute of Limitations, discharge in bankruptcy, or for any other sufficient reason after diligent effort to collect.

NOTE:—This account is included in the account *Collection Expenses* in class B.
NOTE:—This account is included in the account *Commercial Expenses* in class C.

Promotion of Business Salaries and Commissions.

Charge this account with the salaries and wages of all employes whose services are devoted to the promotion and extension of the electric utility business, including canvassers, solicitors, demonstrators, distributors of circulars, and advertising material; also commission paid to canvassers, solicitors and dealers for the introduction and sale of electrical appliances, etc.

NOTE:—This account is included in the account *Commercial Expenses* in class C.

Promotion of Business Supplies and Expenses.

Charge to this account the cost of all supplies used and expenses incurred by the promotion of business department. This includes office stationery and supplies, if distributed, and expenses of advertising in newspapers and periodicals, the cost of advertising by means of posters, dodgers, handbills, circulars, car signs, booklets and all related expenses, also the cost of materials and expenses of demonstration and exhibitions.

NOTE:—This account does not include any expenses incurred for increasing the sale of residuals, which expenses will be charged to the appropriate *Residuals Expense Account*.

NOTE:—This account is included in the account *Promotion of Business Expenses* in class B.

NOTE:—This account is included in the account *Commercial Expenses* in class C.

VII. GENERAL.**Salaries of General Officers.**

Charge this account with the salaries of general officers including the president, vice-presidents, secretary, treasurer, comptroller, auditor, general manager, and all other officers whose jurisdiction extends over the entire business and whose services are not chargeable to any particular department.

NOTE:—This account is included in the account *General Office Salaries* in class B and class C.

Salaries of General Office Clerks.

Charge this account with the salaries of all clerks and assistants connected with the general offices, except such as may be directly engaged in other departments, in which case their compensation should be charged to such department directly. Where general office clerks also perform services for other departments, their compensation will be apportioned accordingly and charged to the respective departmental accounts.

NOTE:—This account is included in the account *General Office Salaries* in class B and class C.

General Office Rent.

Charge this account with all rent paid for general offices.

NOTE:—This account is included in the account *General Office Supplies and Expenses* in class B and class C.

Miscellaneous General Office Supplies and Expenses.

Charge this account with the cost of all office supplies and expenses, newspapers and periodicals, messenger and janitor service, directories, telegrams, exchange on remittances, etc. Charge also with the cost of books, stationery, telephone, etc., if it is desired to distribute such expenses.

NOTE:—This account is included in the account *General Office Supplies and Expenses* in class B and class C.

Law Expenses—General.

Charge to this account all law expenses except those incurred in connection with the defense and settlement of injury and damage claims. Charge with salaries and expenses of counsel, solicitors and general attorneys, their clerks and attendants, etc. Charge also with the cost of law books, printing briefs, legal forms, testimony, reports, fees and retainers of general counsel and attorneys, court costs, and payments of specific notarial and witness fees, expense of taking depositions and other general law and court expenses. Expenses of arbitrators of disputed points will also be charged to this account.

NOTE:—Salaries, fees and retainers of counsel and attorneys engaged in the defense and settlement of injury and damage suits will be charged to the account *Injuries and Damages*.

NOTE:—This account is included in the account *Miscellaneous General Expenses* in class C.

Miscellaneous General Expenses.

Charge this account with the cost of all miscellaneous general expenses, embracing such items as publishing annual reports in newspapers, advertising notices of stockholders' meetings, dividend notices and other corporate and financial notices of a general character; traveling expenses of the general officers and others connected with the general office, association dues, expenses attending conventions and meetings; subscriptions, donations and gratuities; fees of transfer agents, registrars of stock and fiscal agents; directors' fees, and contingent expenses of management not otherwise provided for.

Railroad Commission Expenses.

Charge this account with all fees, retainers and expenses of counsel, solicitors, attorneys, clerks, attendants, expert witnesses, and others whose services are secured in the defense and prosecution of all petitions and other transactions before the Railroad Commission of Wisconsin. Expenses which are made necessary by rules, regulations and orders of the Commission, as improvement of service, additional inspection, etc., will not be charged to this account, but to the appropriate departmental operating expense account.

NOTE:—This account is included in the account *Miscellaneous General Expenses* in class C.

Maintenance of General Office Equipment.

Charge this account with the expense of all labor and material incurred in the repair of the general office equipment, including furniture and furnishings, office apparatus and appliances.

NOTE:—This account is included in the account *Maintenance of General Office Equipment, Buildings, Fixtures and Grounds* in class C.

Maintenance of General Office Buildings, Fixtures and Grounds.

Charge this account with the expense of all labor and material incurred in the repair of the general office buildings, fixtures and grounds, including elevators, vaults, heating and lighting fixtures, and appurtenant sidewalks, lawns, fences, drives, etc.

NOTE:—This account is included in the account *Maintenance of General Office Equipment, Buildings, Fixtures and Grounds* in class C.

VIII. UNDISTRIBUTED.

The undistributed accounts included in this group may be treated as ledger accounts and the total charges so shown in the annual report to the Railroad Commission, or the reporting utilities may distribute the total of the accounts over certain of the other departmental operating expense accounts, charging the latter with such proportions of the total of each undistributed account as appears reasonable and just in the premises. Whenever these accounts are distributed over the accounts for whose benefit the expenses have been incurred, the details of such clearing operations shall be reported in the annual report to the Railroad Commission, showing the total of each of the distributed accounts, the accounts into which they were closed, together with the amount closed into such accounts, in order that such amounts may be deducted by the Railroad Commission for purposes of analytical comparison.

Injuries and Damages.

Charge this account with all damages to or destruction of property other than that owned by the utility, charging with the cost of restoring the property less insurance or legal damages allowed, and with all expenses incident to injury and death to employes and other persons for whose injury or death the utility is held liable or in the settlement of which claim allowances are made. This embraces judgments for damages and plaintiff's court costs; proportion of salaries and expenses or fees of physicians and surgeons, expenses of undertakers, nurses and hospital attendants; medical and surgical appliances; contributions to hospitals; transportation of injured persons; and wages and salaries paid to employes while disabled. The salaries and expenses of the utility's claim agents, adjusters, and their assistants, will be charged to this account. The compensation of general solicitors and counsel of the utility or other attorneys while engaged in the defense and settlement of damage suits will be

charged to this account. If it is desired to open an *Injuries and Damages Reserve* and to make charges against operating expenses on account of the injuries and damages on some arbitrary basis, the amount so charged shall be credited to the account *Injuries and Damages Reserve*, and the actual expenditures for the purpose above enumerated shall be charged against such reserve account.

Utilities are at liberty to subdivide this account to show the following expenses:

- a. Injuries to Persons.*
- b. Damages to Property.*

Where such subdivisions are not made, the charges to this account should be so made as to admit of their separation over such two subdivisions when called for by the Railroad Commission.

NOTE:—This account is included in the account *Undistributed Expenses* in class C.

Insurance.

Charge to this account all premiums paid to insurance companies for fire, casualty, boiler, fidelity, burglar and all other insurance. If it is desired to open an *Insurance Reserve*, all amounts set aside for insurance and charged against operating expenses should be credited to such *Insurance Reserve*.

NOTE:—This account is included in the account *Undistributed Expenses* in class C.

Stationery and Printing.

Charge to this account all expenses for stationery and printing, stationery supplies and postage, blanks, books, records, etc., except as hereinafter provided for. The cost of printing briefs and other legal papers should be charged to the account *Law Expenses—General or Injuries and Damages*.

NOTE:—This account is included in the account *Undistributed Expenses* in class C.

Operation of Stores Department.

Charge this account with the total expense incurred in operating the utility's stores department, including salaries and wages of purchasing agent and his staff, stockkeeper and his staff, clerks and other employes in the stock rooms and storage yards, and such expenses as store room and store yard rent, light, heat, etc.

NOTE:—This account is included in the account *Undistributed Expenses* in class C.

Maintenance of Stores Department Equipment.

Charge this account with all labor and expenses incurred in repairing any equipment of the storage department other than store buildings, fixtures and grounds. Charge with the cost of repairs to loading and unloading machinery, cranes, derricks, hoists, conveying apparatus, etc.

NOTE:—This account is included in the account *Undistributed Expenses* in class C.

Maintenance of Stores Department Buildings, Fixtures and Grounds.

Charge this account with all labor and expenses incurred in repairing stores department buildings, fixtures and grounds, including storehouses, docks, wharves, coal sheds, etc.

NOTE:—This account is included in the account *Undistributed Expenses* in class C.

Operation of Utility Equipment.

Charge this account with all expenses incurred in operating utility equipment, including salaries and wages of stable employes, drivers, teamsters, chauffeurs, employes operating industrial tramways and other utility apparatus, together with such expenses as water for stable use, feed, bedding, axle grease, blankets, shoeing horses, expense of stabling, gasoline, kerosene, and other equipment supplies of a similar character.

NOTE:—This account is included in the account *Undistributed Expenses* in class C.

Maintenance of Utility Equipment.

Charge this account with the expenses of all labor and material incurred in repairing wagons, drays, trucks, harnesses, automobiles, bicycles, motorcycles, industrial tramways and other utility equipment, and cost of horses purchased to replace others lost by death or worn out in service, unless it is the policy to replace horses through the *Depreciation Reserve*.

NOTE:—This account is included in the account *Undistributed Expenses* in class C.

Maintenance of Utility Equipment Buildings, Fixtures and Grounds.

Charge this account with all labor and expenses incurred in repairing utility equipment buildings, fixtures and grounds, including stables, barns, utility equipment storage structures, stable yards, fences, etc.

NOTE:—This account is included in the account *Undistributed Expenses* in class C.

DEPRECIATION.

Every public utility shall carry a proper and adequate *Depreciation Reserve* to cover the full replacement of all tangible capital in service. There shall be opened a *Depreciation Account* to which shall be charged monthly, crediting the *Depreciation Reserve*, an amount equal to one-twelfth of the estimated annual depreciation of the tangible capital in service of the utility, or as near that amount as the finances of the property will permit. Tangible capital comprises all land and its improvements and all interest in land the term of enjoyment of which is one year or more from the date of grant, buildings and structures and all equipment and apparatus used and useful in the generation, distribution and sale of electric current and having an expectation of life in service of more than one year. Hand and other small portable tools, because of their liability to loss and theft, are to be treated as part of the operating expenses of the year in which they were purchased. The estimate here required shall be made upon a rule designed to effect by its uniform application during the life of the tangible capital in service, a charge into operating expenses of the total original cost of such capital, less its salvage or scrap value upon retirement.

When any building, structure, machine, facility or unit of equipment which at the time of its construction or installation was classified as tangible capital becomes through wear and tear economically irreparable, the substitute therefor, having substantially no greater capacity than the unit for which it was substituted, shall be charged to the *Depreciation Reserve Account*.

When, however, the building, structure, machine, facility or unit

substituted has a substantially greater capacity than that for which it was substituted, the cost of the substitution of one of the same capacity as the unit replaced shall be charged to the *Depreciation Reserve Account*, and the remaining cost of the actual substitution shall be charged to the appropriate *Construction and Equipment Account*. The details of the deduction on account of *Depreciation* and the basis thereof will be called for in the annual report to the Railroad Commission.

CONTINGENCIES (EXTRAORDINARY).

When the property of the utility is visited by an extraordinary casualty of such a nature as to be beyond anticipation through the exercise of ordinary and reasonable prudence, and of such a nature as not to be contained in the provision for depreciation, as earthquakes, floods, cyclones, etc., resulting in irreparable damage, there may be charged to this account the original cash cost of such irreparably damaged property, less the salvage or scrap value and irreparable wear and tear from use accrued thereto. When the amount of such damage or loss is considerable, there may be set up an *Extraordinary Casualties Suspense Account*, to which shall be credited monthly the amount charged to the account *Contingencies (Extraordinary)* until the total loss or damage caused by such casualty shall be wiped out through operating expenses.

All ordinary casualties, that is, those which occur with such uniformity and frequency that the principles of insurance are applicable thereto, must be provided for by suitable charges to the *Insurance Reserve*, set up and maintained for such losses, or are considered as included in the provision for depreciation, or constitute an item of current maintenance.

TAXES.

This account shall cover all taxes chargeable against the electric utility. Where the reporting utility is also engaged in transactions outside the scope of its duties as a public utility, this account shall be subdivided in the following two sub-accounts, to be maintained separately:

- a. Taxes Chargeable Against Electric Utility.*
- b. Taxes Chargeable to Non-Operating Transactions.*

To each such tax account there shall be charged monthly the amount of taxes accrued during the month and such amount shall be credited to the account *Taxes Accrued* (or *Prepaid Taxes*, if such taxes are prepaid) or the appropriate subdivision of such accounts. The amount of taxes accrued during any month shall, when the levy is unknown, be estimated and when the levy is finally determined the estimate shall be corrected in the provision for taxes during the remainder of the year. For example, if at the beginning of the tax year the taxes against the utility are estimated to be \$600 for the year, the monthly charge on account of such tax will be \$50, crediting the same to the *Taxes Accrued* account or *Prepaid Taxes*, as the case may be, until the amount of the levy becomes definitely known. If during the fifth month it is found that the levy for the year is \$640 instead of \$600, there will already have been charged for four months the \$50 per month, leaving \$440 to be charged during the remainder of the year, or \$55 for the fifth month and each succeeding month during the remainder of the year.

Such taxes as pertain to two or more utility services, or to operating and non-operating transactions alike, shall be apportioned with regard to such departments or subdivisions upon a basis which appears reasonable and just, such basis to be reported in the annual report to the Railroad Commission.

DEDUCTIONS FROM GROSS INCOME.**CONTRACTUAL ACCOUNTS.****Interest on Funded Debt.**

Charge this account monthly with all the interest accrued on the outstanding funded indebtedness of the electric utility. Credit such monthly charge to the account *Unmatured Interest on Funded Debt Accrued*. When the interest has matured, charge it to the account *Unmatured Interest on Funded Debt Accrued* and credit the account *Matured Interest on Funded Debt Unpaid*. When such interest is paid, charge the account *Matured Interest on Funded Debt Unpaid* and credit *Cash* or the coupon deposit account.

Interest on Real Estate Mortgages.

Charge this account monthly with all the interest accrued on outstanding obligations of the electric utility secured by real estate mortgages. Credit such monthly charge to the account *Unmatured Interest on Funded Debt Accrued* (mortgage obligations with respect to this account being considered as funded if they do not mature until more than one year after the date of issue). When the interest has matured charge it to the account *Unmatured Interest on Funded Debt Accrued* and credit the account *Matured Interest on Funded Debt Unpaid*. When such interest is paid, charge the account *Matured Interest on Funded Debt Unpaid* and credit *Cash* or other appropriate account.

Interest on Floating Debt.

Charge this account monthly with the interest accruing on all unfunded or floating obligations on which the electric utility is liable. Credit such monthly charges to the account *Unmatured Interest on Notes and Bills Payable Accrued*. When the interest has matured, charge it to the account *Unmatured Interest on Notes and Bills Payable Accrued* and credit the account *Matured Interest on Notes and Bills Payable Unpaid*. When such interest is paid, charge the account *Matured Interest on Notes and Bills Payable Unpaid* and credit *Cash* or other appropriate account.

Contractual Sinking Fund Requirements.

Charge to this account monthly all accruals required to be made to sinking funds in accordance with the provisions of trust deeds, mortgages or other contracts requiring the establishment of sinking funds. Such charges will be credited to the *Sinking Fund Reserve*. All accruals to reserves or other funds, created voluntarily by the utility and not in pursuance of the provisions of any mortgage or other contract or of the requirements of law, shall be excluded therefrom.

BALANCE SHEET ACCOUNTS.

BALANCE SHEET FORM FOR REPORT.

ASSETS.

All Classes.

PROPERTY AND PLANT:

Cost Beginning of Year.

Construction and Equipment Current Fiscal Year.

Cost Close of Year.

TREASURY SECURITIES:

Treasury Stock.

Treasury Bonds.

INVESTMENTS:

Stocks and Bonds of Other Companies.

Other Investments.

RESERVE, SINKING AND SPECIAL FUND ASSETS:

Depreciation Reserve Fund.

Sinking Fund.

Amortization Reserve Fund.

Special Funds.

CURRENT ASSETS:

Cash.

Notes and Bills Receivable.

Accounts Receivable.

Interest and Dividends Receivable.

Material and Supplies.

Sundry Current Assets.

PREPAID ACCOUNTS:

Prepaid Insurance.

Prepaid Taxes.

Prepaid Interest.

Sundry Prepaid Accounts.

Open Accounts.

Deficit.

BALANCE SHEET FORM FOR REPORT—(Continued.)

LIABILITIES.

All Classes.

CAPITAL LIABILITIES:

Capital Stock Preferred.
Capital Stock Common.
Funded Debt.

MORTGAGE LIABILITIES:

Real Estate Mortgages.
Other Mortgages.

CURRENT LIABILITIES:

Notes and Bills Payable.
Accounts Payable.
Matured Interest on Funded Debt Unpaid.
Matured Interest on Notes and Bills Payable Unpaid.
Dividends Unpaid.
Deposits.
Sundry Current Liabilities.

ACCRUED LIABILITIES:

Insurance Accrued.
Taxes Accrued.
Unmatured Interest on Funded Debt Accrued.
Unmatured Interest on Notes and Bills Payable Accrued.
Dividends Accrued.
Sundry Liabilities Accrued.

Open Accounts.

RESERVE, SINKING AND SPECIAL FUND LIABILITIES:

Depreciation Reserve.
Sinking Fund.
Amortization Reserve.
Special Funds.

Surplus.

DETAILED ACCOUNTS WITH TEXT.

CONSTRUCTION AND EQUIPMENT ACCOUNTS.

INTANGIBLE CAPITAL.

Organization.

Charge to his account all fees paid to governments for the privilege of incorporation and all fees and other expenditures incident to organizing the electric utility business. This includes the cost of preparing and distributing prospectuses, cost of soliciting subscriptions for stock (but not for loans nor for the purchase of bonds or other evidences of indebtedness), cash fees paid to promoters, and the actual cash value at the time of organization of securities paid to promoters for their services in organizing the enterprise, attorney's fees, cost of preparing and issuing certificates of stock, and cost of procuring certificates of convenience and necessity from the Railroad Commission, and other similar expenses. This account shall not be charged with any discounts on securities issued, nor shall it include any costs incident to negotiating loans or selling bonds or any other evidence of indebtedness. Expenses incident to an increase of the capital stock, and the negotiation and sale of stock thereunder, and expenses of preparing and filing certificates of amendment to the articles of incorporation, shall be charged to this account.

Franchises.

Charge to this account the actual amount paid to the state or to a political subdivision thereof in consideration for any franchise deemed necessary to the conduct of the electric utility service.

If any such franchise is acquired by purchase, the charge to this account, in respect thereof, shall not exceed the amount so actually paid therefor by the electric utility to its assignor. If any franchise has a life of not more than one year after the day when it is placed in service or in effect, it shall not be charged to this account but to the appropriate operating expense account. Expenses in procuring franchises covering additional territory to be operated as a part of the existing system may be charged to this account. Payments made to state authorities or to any subdivision thereof, in consideration for granting extension of any franchise having a life in service of more than one year from the date of the grant, shall be considered as a renewal. If the franchises cover separate and distinct new enterprises, payments therefor shall be classed as original and charged to this account.

Rights, Licenses, Etc.

Charge to this account the cost of all rights, licenses and other intangible assets having a life of more than one year from the date when placed in service, acquired by the utility in or under valid patent grants by the United States to inventors for inventions and discoveries which are necessary or valuable to the economical conduct of the electric business, etc. If such right is extended to cover a further period of time than that covered by the original grant, the cost of such extension shall be classed as a renewal. A patent right acquired for use in an existing system and necessary to the economical operation thereof, shall be classed as an addition.

NOTE:—Utilities are at liberty to open sub-accounts showing the total cost of any class of rights or single patent.

TANGIBLE CAPITAL.**Lands Used in Operation of Property.**

Accounts shall be opened as indicated below, to which shall be charged the cost of all land used and useful in the operation of the electric utility whose term of enjoyment is over one year from the grant thereof. The cost of land shall include the purchase price, the cost of registration of title, cost of examination of title, surveyors' and notaries' fees, purchasing agent's commission, the fees and taxes accrued to date from transfer of title, and all liens upon title acquired; also the cost of obtaining consents and payments for abutting property damages. The cost of any buildings, fixtures and improvements made to the land purchased, must not be charged to these accounts. If at the time of acquisition of any interest in land it extends to buildings or other improvements thereon, which improvements are devoted by the electric utility to its electric service and the contract of acquisition does not determine the price of such buildings or improvements, they shall be appraised at their fair cash value for use in such operations, and such appraised value shall be charged to the proper *Buildings, Fixtures and Grounds* account, and excluded from the *Land* account. If such improvements are not devoted to electric operations, but are devoted to other operations or are held as investment, the cost (or appraised value if the cost is not determined by the contract) shall be charged to an appropriate investment account.

Power Plant Land.

Charge this account with the cost of all land as above defined, occupied by the power plant together with all land used and useful in connection with the hydraulic power works, steam plant, power gas plant and all appurtenances thereto.

NOTE:—Utilities are at liberty to open sub-accounts showing the cost of land devoted to any particular use as steam power plant land, gas power plant land, hydraulic power plant land, etc.

NOTE:—This account is included in the account *Land Used in Operation of Property* in class B and class C.

Sub-Station and Transformer Station Land.

Charge this account with the cost of all land as hereinbefore defined, occupied by sub-stations and transformer stations.

NOTE:—Utilities are at liberty to open sub-accounts showing the cost of land devoted to the several sub-stations and transformer stations which it may own and operate.

NOTE:—This account is included in the account *Land Used in Operation of Property* in class B and class C.

Storage Battery Land.

Charge this account with the cost of all land as hereinbefore defined, occupied by the electric storage batteries.

NOTE:—This account is included in the account *Land Used in Operation of Property* in class B and class C.

General Office Land.

Charge this account with the cost of all land as hereinbefore defined, occupied by the general office buildings of the electric utility.

NOTE:—This account is included in the account *Land Used in Operation of Property* in class B and class C.

Stores Department Land.

Charge this account with the cost of all land as hereinbefore defined, occupied by storage buildings and structures or used as storage yards.

NOTE:—This account is included in the account *Land Used in Operation of Property* in class B and class C.

Utility Equipment Land.

Charge this account with the cost of all land as hereinbefore defined occupied by barns, stables, automobile and vehicle and other utility equipment storage structures and land appurtenant thereto.

NOTE:—This account is included in the account *Land Used in Operation of Property* in class B and class C.

Buildings, Fixtures and Grounds Used in Operation of Property.

Account shall be opened as indicated below to which shall be charged the cost of all buildings, structures and improvements in the land used and useful in the generation of electric energy and all steps incidental to such generation, distribution and sale. Such buildings, structures and fixtures include hydraulic structures, producer gas buildings and structures, steam structures, power plant buildings, general office buildings, coal and other fuel sheds and other storage buildings and structures, barns, stables and all fixtures attached to such buildings and a permanent part thereof together with fences, walks, trestles, drives, grading and improvement of grounds. Machinery foundations and settings if designed as a part of the

permanent construction of the building and independent of their use in connection with any particular unit of equipment, shall be charged to the appropriate *Buildings, Fixtures and Grounds* account. If, however, such foundations and settings are prepared especially for certain units of equipment and designed to last no longer than such unit, their cost will be charged to the proper *Equipment* account. The following accounts will be raised:

Steam Power Plant Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds devoted to the generation of electric energy by steam power. Such structures include steam power plant buildings and structures and all buildings incidental thereto, and permanent machinery and apparatus foundations, appurtenant walks, fences, drives, tramways, trestles and all fixtures permanently attached thereto and a part thereof.

NOTE:—Buildings devoted to the generation of steam and for storage purposes will not be charged to this account.

NOTE:—This account is included in the account *Buildings, Fixtures and Grounds* in class B and class C.

Gas Power Plant Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds devoted to the generation of electric energy by gas power, including buildings and structures incidental thereto, the permanent foundations for machinery and apparatus, appurtenant walks, drives, fences, tramways, trestles and all fixtures permanently attached thereto and a part thereof.

NOTE:—The cost of fuel storage buildings and gas producer buildings and structures will not be charged to this account.

NOTE:—This account is included in the account *Buildings, Fixtures and Grounds* in class B and class C.

Hydraulic Power Plant Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds devoted to the generation of electric energy by hydraulic power, including hydraulic buildings and structures, generating station buildings and structures and all buildings and structures incidental thereto, together with permanent foundations for machinery and apparatus, appurtenant walks, fences, drives, tramways, trestles and all fixtures permanently attached thereto and part thereof.

NOTE:—This account is included in the account *Buildings, Fixtures and Grounds* in class B and class C.

Boiler Plant Buildings, Fixtures and Grounds.

Charge this account with the cost of all buildings, fixtures and grounds devoted to the generation of steam, all permanent foundations and settings for machinery and apparatus and appurtenant walks, fences, drives and tramways and all fixtures permanently attached to such structures and made a part thereof.

NOTE:—This account is included in the account *Buildings, Fixtures and Grounds* in class B and class C.

Gas Producer Plant Buildings, Fixtures and Grounds.

Charge this account with the cost of all buildings and structures devoted to the production of gas for power purposes, including permanent foundations and settings for producer machinery and apparatus, and appurtenant walks, fences, drives, etc., and fixtures permanently attached to such structures and made a part thereof.

NOTE:—This account is included in the account *Buildings, Fixtures and Grounds* in class B and class C.

Sub-Station and Transformer Station Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds devoted to sub-station and transformer station uses, including permanent foundations and settings for machinery and apparatus, together with appurtenant walks, fences, drives, etc., and fixtures permanently attached to such structures and made a part thereof.

NOTE:—This account is included in the account *Buildings, Fixtures and Grounds* in class B and class C.

Storage Battery Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds devoted to storage battery purposes, including permanent foundations and settings, together with appurtenant walks, fences, drives, etc., and all fixtures permanently attached to such structures and made a part thereof.

NOTE:—This account is included in the account *Buildings, Fixtures and Grounds* in class B and class C.

General Office Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds devoted to general office purposes of the electric utility and not includable in any of the preceding departmental buildings accounts, also all fixtures permanently attached thereto and a part thereof, such as heating and plumbing systems, electric wiring, permanent building vaults, together with appurtenant walks, fences, drives, etc.

NOTE:—This account is included in the account *Buildings, Fixtures and Grounds* in class B and class C.

Stores Department Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds used for storage purposes, embracing such structures as coal and other fuel storage sheds, distribution and transmission line material storage structures, etc., together with all fixtures permanently attached thereto and a part thereof, as fences, drives, walks, etc.

NOTE:—This account is included in the account *Buildings, Fixtures and Grounds* in class B and class C.

Utility Equipment Buildings, Fixtures and Grounds.

Charge this account with the cost of all buildings, fixtures and grounds devoted to stable, barn, garage or other utility equipment storage purposes, and all fixtures permanently attached thereto and a part thereof, and appurtenant fences, drives, walks, etc.

NOTE:—This account is included in the account *Buildings, Fixtures and Grounds* in class B and class C.

Power Plant Equipment.

Accounts shall be opened as indicated below, to which shall be charged the cost of all equipment and apparatus used in the generation of electric energy, up to and including the station switch board. It is designed that the cost of all apparatus and equipment shall be so charged and classified that the cost of all apparatus used in connection with the generation of electric energy by any particular motive power will be shown in the account covering such power plant equipment.

The following accounts will be raised:

Steam Power Plant Equipment.

Charge this account with the cost of all steam engines and turbines devoted to the production of electric energy, which shall be considered to include steam prime mover accessories as the throttle valve and the governor, also condensers, air and circulating pumps and lubricating systems. Charge also with the cost of all electric generating apparatus driven by steam prime movers together with rotaries and motor-generator sets, exciters, etc., when not installed in connection with the transmission system. This includes the specially provided foundations and settings of such apparatus. Charge also with all accessory and auxiliary equipment in the steam power generating station, including belts and other transmission equipment, line and counter shafting, pulleys, bus-bars, regulators, station switchboards and equipment such as circuit breakers, switches, meters and their settings, together with special high tension transmission equipment at the steam power station as high tension bus-bars, high tension switchboards, high tension switches, high tension current transformers, high tension lightning arresters, high tension potential transformers, high tension reactive coils, high tension choke coils, high tension grounding devices and resistances, high tension step-up and step-down transformers.

NOTE:—Utilities desiring to do so may subdivide this account into the following:

- a. Steam Engines and Turbines.*
- b. Generators.*
- c. Auxiliary Steam Power Plant Equipment.*

Gas Power Plant Equipment.

Charge this account with the cost of all gas engines and turbines devoted to the generation of electric energy, including their foundations and settings, together with such gas prime mover accessories as the inlet valve, governor and igniting and starting apparatus. Charge also to this account the cost of all electric generating apparatus driven by gas power and rotaries and motor-generator sets, exciters, etc., when not installed in connection with

transmission systems. This includes specially provided foundations and settings. Charge also with the cost of all electric equipment of the gas power generating station embracing bus-bars, regulators, station switchboards and equipment as circuit breakers, switches, meters and settings and special high tension transmission equipment at such power station, as high tension bus-bars, high tension switchboards, high tension switches, high tension transformers, high tension lightning arresters, high tension potential transformers, high tension reactive coils, high tension choke coils, high tension grounding devices and resistances and high tension step-up and step-down transformers. Belts, shafting, pulleys and other power transmission equipment in the gas power plant will be charged to this account.

NOTE:—Utilities desiring to do so may subdivide this account as follows:

- a. Gas Engines and Turbines.*
- b. Generators.*
- c. Gas Power Plant Auxiliary Equipment.*

Hydraulic Power Works.

Charge to this account the cost of all dams, canals and flumes devoted to the production of hydraulic power and the delivery of water to the head-gate of the water wheels or turbines. Also charge with the cost of wasteways from the outlet of the draft tube to the point of final discharge, including the cost of all gates, valves and other accessories, wasteways, sluices, forebays, etc., in the development of hydraulic power and all accessory canals and aqueducts.

Hydraulic Power Plant Equipment.

Charge this account with the cost of all water wheels and turbines devoted to the generation of electric energy, including foundations and settings of such hydraulic equipment, their governors and all apparatus appurtenant thereto from the head gates and governors to the wasteways. Charge also with the cost of all electric generating apparatus driven by hydraulic power and rotaries and motor-generator sets, excitors, etc., when not installed in connection with transmission systems, together with their specially provided foundations and settings. Also charge this account with the cost of all electric equipment of the power plant embracing bus-bars, regulators, station switchboards and equipment as circuit breakers, switches, meters and their settings, head gates, motors and other electric apparatus and special high tension transmission equipment at the power plant, such as high tension bus-bars, high tension switchboards, high tension switches, high tension transformers, high tension lightning arresters, high tension potential transformers, high tension reactive coils, high tension choke coils, high tension grounding devices and resistances and high tension step-up and step-down transformers. Belts, pulleys, shafting and other power transmission apparatus in the hydraulic power plant will be charged to this account.

NOTE:—Utilities desiring to do so may sub-divide this account as follows:

- a. Water Wheels and Turbines.*
- b. Generators.*
- c. Auxiliary Hydraulic Power Plant Equipment.*

Boiler Plant Equipment.

Charge to this account the cost of all equipment devoted to the generation of steam. Charge with the cost of furnaces, boilers, their foundations and settings, boiler fittings, iron and steel smokestacks, feed pump, water feed pipe, injectors, economizers, water heaters, superheaters, valves, flues, steam pipes from the boilers to the engine throttle valves, steam exhaust system, boiler water purification equipment, mechanical stokers, cranes, coal and ash conveyors, steam traps, crushers, belt links, wheels, chutes and gates, conveyor cars, winches, motors, buckets, shafts, chains and similar auxiliary equipment in the boiler plant.

Gas Producer Equipment.

Charge to this account the cost of all equipment devoted to the production of power gas for the purpose of generating electric energy, including the foundations and settings of such producers and their accessories, embracing gas producers, economizers, regenerators, vaporizers, steam injectors, scrubbers, exhauster outfits, seals, appurtenant boilers and pumps, flues and piping, blower engines, gas piping from producers to gas prime movers and to holders, producer gas holders, exhaust piping, etc.

Transmission System.

Charge this account with the cost of the transmission system, embracing all towers, poles, cross-arms, insulator pins, braces, brackets and other pole fixtures and appliances, guys and other tower and pole supports, and all cables, wires, insulators and insulator material, etc., constituting the transmission system between the point of electric generation or purchase to the point where it is lowered in voltage or changed as to kind of frequency for the purpose of commercial distribution.

Sub-Station and Transformer Station Equipment.

Charge to this account the cost of all sub-station and transformer station equipment and apparatus, including the electrical equipment as transformers, motor-generator sets, rotaries, boosters, switchboards, furniture, etc.

Storage Battery Equipment.

Charge to this account the cost of all storage batteries and storage battery equipment. Where separate buildings and structures have been provided for storage batteries, there will be charged to this account not only the cost of the electrical equipment, but also such other equipment as is a necessary and incidental part of the operation of such battery and included in tangible capital.

Distribution System.

Charge to this account the cost of the distribution system, embracing all towers, poles, cross-arms, insulator pins, braces, brackets, and other pole fixtures and appliances, guys, and other tower and pole supports, and all cables, wires, insulators, and insulating material constituting the distribution system between the central station switchboard or the sub-station or transformer station to the consumers' premises, including the service wiring.

Transformers.

Charge this account with the cost of all distribution line transformers, both those placed on the premises of the consumer and upon the poles or other supports adjacent thereto. The cost of the original setting of each transformer will be charged to this ac-

count. Transformers and transformer devices operated in connection with the transmission system will not be charged to this account but to the account *Sub-Station and Transformer Station Equipment.*

Meters.

Charge to this account the cost of all meters installed for determining the amount of energy delivered to consumers. The cost of the original setting of each meter will be charged to this account if it is the policy of the accounting utility to capitalize the original setting of meters. Subsequent removing and resetting of meters will not be charged to this account, but to operating expenses.

Commercial Lamps and Lamp Equipment.

Charge to this account the cost of all arc lamps, Nernst lamps, incandescent lamps and all lamp fixtures and equipment devoted to commercial lighting and included in the tangible capital of the utility. Lamps and lamp equipment having an expectancy of life in service of less than one year will not be charged to this account, but will be considered an operating charge.

Municipal Contract Lighting System.

Charge to this account the cost of all lighting equipment operated and maintained under the contracts for public lighting entered into with the municipality, embracing public arc lights, Nernst lamps and incandescent lamps provided for in the contract and all circuits and poles, cross-arms, pins, braces, insulators, arc supports and accessory equipment required under the terms of such contract. There will not be charged to this account the cost of any equipment properly chargeable to *Distribution System*, this account being designed to cover only the cost of the lighting system devoted to the municipal contract service. Where the terms of the contract or an ordinance of the municipality require extension of mains and services for lighting under the terms of the contract, the cost of such extension as long as used solely for public lighting under such contract will be charged to this account. Entries to this account in respect to such extensions shall be so made as to admit of a detailed statement when called for by the Railroad Commission.

General Office Equipment.

Charge to this account the cost of all equipment of the general office of the electric utility, embracing such items as office furniture and furnishings, movable safes, filing cases and devices, typewriters, adding machines, addressographs and sundry office equipment having an expectancy of life in service exceeding one year.

Stores Department Equipment.

Charge to this account the cost of all equipment of the stores department. This includes loading and unloading machinery, derricks, cranes, hoists, conveying apparatus and equipment, etc.

Utility Equipment.

Charge this account with the cost of all utility equipment. This includes wagons, drays, trucks, harnesses, horses, automobiles, bicycles, motorcycles, industrial tramways, etc.

Miscellaneous Equipment.

Charge to this account all equipment not includable in any of the preceding classified capital accounts, embracing such items as shop appliances, shop and laboratory tools, work tools and instruments, street department work tools and instruments, and other miscellaneous equipment.

NOTE: Utilities are at liberty to subdivide this account to show the cost of any class of such miscellaneous equipment.

Miscellaneous Construction and Equipment Expenditures.

Accounts shall be opened as indicated below to which shall be charged all expenditures incurred during construction and before the operation of the electric utility, of the character indicated by the title of the accounts. If expenditures are incurred for the service of engineers, superintendents and other technical skill of an advisory character during the process of construction and such items are not chargeable to any of the following accounts, there may be opened the account *Engineering and Superintendence*.

The following detailed accounts should be kept of the expenditures during construction:

Salaries During Construction.

Charge this account with the salaries of all general officers and general office assistants during the period of construction of the electric utility plant and up to the generation and sale of electric energy.

NOTE:—This account is included in the account *Miscellaneous Construction and Equipment Expenditures* in class B and class C.

Office Supplies and Expenses During Construction.

Charge this account with the cost of all office supplies and expenses incurred during the process of construction of the plant up

to the time of generation and sale of electric energy, such as messenger and janitor service, rent of premises occupied during construction, water, light, heat, telegrams, exchange on remittances, etc.

NOTE:—This account is included in the account *Miscellaneous Construction and Equipment Expenditures* in class B and class C.

Stationery and Printing During Construction.

Charge this account with the cost of all stationery, printing, postage, blanks, record books, etc., used during the construction of the plant and up to the time of generation and sale of electric energy.

NOTE:—This account is included in the account *Miscellaneous Construction and Equipment Expenditures* in class B and class C.

Law Expenses During Construction.

Charge to this account all law expenses incurred during the period of construction of the electric plant. Charge with the salaries and expenses of counsel, solicitors and general attorneys, their clerks and attendants, etc. Charge also with the cost of law books, printing briefs, legal forms, testimony, reports, fees and retainers of the general counsel and attorneys, court costs and payments of specific notarial and witness fees, expense of taking depositions, and general law and court expenses during construction. Expenses of arbitrators of disputed points will also be charged to this account. When any of the expenditures above enumerated can be charged directly to the account for whose benefit they were incurred, they shall be so charged and not to this account. Thus, expenditures in connection

with the acquisition of land to be occupied by the stations shall be charged to the appropriate construction account. Law expenses in connection with the organization of the utility, whenever such can be definitely ascertained, shall be charged to the account *Organization*.

NOTE:—This account is included in the account *Miscellaneous Construction and Equipment Expenditures* in class B and class C.

Injuries and Damages During Construction.

Charge to this account all damages to or destruction of property other than that owned by the utility, caused directly in connection with the construction of the electric plant, and all expenses incident to the injuries or death of employes and other persons for which injuries or death the utility is held liable or in the settlement of which claims allowances are made. This includes such items of expense as judgments for damages and plaintiff's court costs; proportion of salaries and expenses or fees of physicians and surgeons, expenses of undertakers, nurses and hospital expenses, medical and surgical supplies, contributions to hospitals during the period of construction of the plant, transportation of injured persons and wages and salaries paid to employes while disabled. The salaries and expenses of the utility's claim agents, adjusters and their assistants while engaged upon settling such claims arising during construction will be charged to this account. The compensations of the general solicitors or counsel of the utility while engaged in the defense and settlement of damage suits will also be charged to this account.

NOTE:—This account is included in the account *Miscellaneous Construction and Equipment Expenditures* in class B and class C.

Insurance During Construction.

Charge to this account all premiums paid to insurance companies for fire, casualty, boiler, fidelity and other insurance covering risks during construction of the electric power plant and its equipment.

NOTE:—This account is included in the account *Miscellaneous Construction and Equipment Expenditures* in class B and class C.

Taxes During Construction.

Charge to this account all taxes and assessments levied and paid on property belonging to the electric utility while under construction and before the plant has begun operations, except special assessments for street and other improvements such as grading, curbing, paving, sidewalks, sewer, etc., which shall be charged to the account to which the property benefited has been charged.

NOTE:—This account is included in the account *Miscellaneous Construction and Equipment Expenditures* in class B and class C.

Interest During Construction.

Charge to this account the interest accrued upon all money and claims payable upon demand acquired for use in connection with the construction and equipment of the electric property from the time of such acquisition until the works are ready for commercial use. Interest receivable accrued upon such moneys and claims shall be credited to this account.

NOTE:—This account is included in the account *Miscellaneous Construction and Equipment Expenditures* in class B and class C.

Discount on Bonds During Construction.

To this account may be charged the discount on bonds sold for construction purposes. The entries to such account shall be made with sufficient detail to permit of their identification and shall show the date when the bonds to which the discount applies were authorized, when issued and when sold, to whom sold, the amount realized from the sale, purpose for which the bonds were sold, and the application of the proceeds; all of which details will be called for by the Railroad Commission.

NOTE:—This account is included in the account *Miscellaneous Construction and Equipment Expenditures* in class B and class C.

Miscellaneous Expenditures During Construction.

Charge to this account all expenditures incurred during construction not includable in any of the preceding accounts.

NOTE:—This account is included in the account *Miscellaneous Construction and Equipment Expenditures* in class B and class C.

Cost of Plant Purchased (In Lieu of Plant Constructed).

Charge to this account the cost of the electric plant purchased in case the plant of the utility is obtained by purchase instead of being constructed by it. The entry to this account should show with sufficient detail the name of the parties from whom purchased, the purchase price and all other facts pertinent to such sale, which details will be called for by the Railroad Commission.

TREASURY SECURITIES.

Treasury Securities.

Charge to this account the par value of all stocks and bonds which have been authorized and issued by the utility or assumed by it or held by the treasurer or other fiscal agent of the utility for its benefit but which have not been sold. When such securities are sold their par value will be credited to this account.

NOTE:—This account may be subdivided into the two following accounts:

- a. Treasury Stock.*
- b. Treasury Bonds.*

INVESTMENTS.

Investments.

By investments, as here used, is meant the cost of the electric utility's title to or interest in all properties acquired, not for use in present operations but for the income to be derived from them, for a rise in value, for the control of some private business or other utility service, or for devotion to future operations at a time when the acquisition of such properties will not be possible under such favorable circumstances. In the annual report to be made to the Railroad Commission these investments will be required to be classified as to their character and with sufficient detail as to permit of their clear identification, showing the par value of all such stocks or bonds or other investments with the rate of return thereon, the amount of income received therefrom and the book value. Stocks, bonds or other property in which the funds of *Reserves* of the utility have been invested will not be shown in this account but as investments of the respective reserves and so shown in the balance sheet to be contained in the report to the Railroad Commission.

RESERVE ACCOUNTS.

REQUIRED RESERVES.

Depreciation Reserve.

To this account shall be credited monthly, or as they are made, all charges to the *Depreciation Account* (hereinbefore described), the income from the investment of any money or from any security belonging to the *Depreciation Reserve*, and any other appropriations which may have been made to it.

When through wear and tear in service, casualty, inadequacy, supersession or obsolescence, any building, structure, facility or unit of equipment originally charged to capital is no longer economically reparable, and in order to keep the productive capacity of the plant up to its original or equivalent state of efficiency it is necessary to make a complete replacement of such building, structure or unit of equipment, the money cost of the original unit replaced and charged to capital (estimated if not known, and if estimated the basis thereof shall be shown in the record entry) shall be charged to the *Depreciation Reserve*, and the excess cost of the substituted unit over such original unit shall be charged to the appropriate capital account.

When any building, structure, facility or unit of equipment originally charged to capital is retired from service and not replaced by any other unit of similar nature or equivalent thereto, the original money cost thereof (estimated if not known, and if estimated the basis thereof shall be shown in the record entry) shall be charged to this account and such amount originally entered or contained in the charges to capital in respect to such unit so being retired shall be credited to the capital account to which it was originally charged, and any adjustments necessary made through the *Surplus Account*.

The salvage or scrap value of any unit of equipment retired from service or replaced by any other unit will be credited to this account.

An analysis of the charges and credits to this reserve will be called for in the annual report to the Railroad Commission.

Sinking Fund Reserves.

Sinking fund reserves shall be maintained whenever they are required in pursuance of the provisions of mortgage deeds, deeds of trust, contracts or provisions of the law. A separate *Sinking Fund Reserve* shall be maintained for each contractual requirement, to which reserve shall be credited any appropriation made in pursuance of the terms of the respective mortgage and trust deeds, contracts, etc., and charged to the account *Contractual Sinking Fund Requirements* and also accumulations resulting from any security belonging to such particular reserve. The title of each reserve shall clearly indicate the purpose for which it is being maintained.

An analysis of the charges and credits to this reserve will be called for in the annual report to the Railroad Commission.

Amortization Reserve.

This account shall be raised to provide for the amortization of intangible capital in service. To it shall be credited monthly, or as they are made, all the amounts charged from time to time through operating expenses to the account *Amortization Reserve Requirements*, which account is to be set up where the nature of the capital occasions the setting up of this reserve. Such reserve shall also be credited with all accumulations resulting from the investment of any moneys or the interest or dividends from any securities belonging to it.

For example, a corporation pays \$100,000 for a twenty year franchise to operate a public utility. In order that this amount shall be set aside out of revenue and the actual capital of the corporation not impaired by dividends paid, there shall be charged monthly to the account *Amortization Reserve Requirements*, crediting the *Amortization Reserve*, an amount which, invested at current rates of interest, will at the end of the franchise term have created an amount equivalent to the cost of the franchise.

An analysis of the charges and credits to this reserve will be called for in the annual report to the Railroad Commission.

OPTIONAL RESERVES.**Maintenance Reserve.**

This reserve may be raised by those electric utilities which operate equipment, the repairs to which are occasioned only at remote intervals and are then so considerable in amount as to cause wide fluctuations in the operating expenses for the division of operation or group of expenses of which the maintenance account in question is a part.

Uncollectible Accounts Reserve.

Credit this account every month with the charge made to the account *Uncollectible Accounts (Reserve Charge)* as explained in connection therewith. When any account for electric service, upon which any debtor is liable to the utility, becomes impossible of collection because of the removal of the debtor beyond the jurisdiction of the state, the operation of the Statute of Limitations, discharge in bankruptcy, or for any other good and sufficient reason after diligent effort to collect the same has been made, such account may be charged to this account and credited to *Accounts Receivable*, to which it was originally charged.

All accounts which have been charged off as uncollectible, but which are afterwards collected, shall be credited to this reserve.

An analysis of the charges and credits to this reserve will be called for in the annual report to the Railroad Commission.

Promotion of Business Reserve.

Those utilities which, over and above the regular monthly charges for advertising, office assistance, etc., in their promotion of business department undertake a temporary campaign for the development of business, either for the securing of additional consumers or to increase the sales of electricity to existing consumers, the benefits from which large expenses will be experienced over a considerable period of time, may set up this reserve, crediting it monthly with the amount set aside for that purpose, and charged to the account *Promotion of Business Supplies and Expenses*. Amounts paid to any corporation, society or individuals not connected with the electric utility for services performed under contract for the development of the business of the electric utility may be charged to this reserve. The salaries, commissions and expenses of the permanent employes of the promotion of business department and the current expenses of such department will be charged to the accounts *Promotion of Business Salaries and Commissions* and *Promotion of Business Supplies and Expenses*, as their nature determines.

Injuries and Damages Reserve.

Utilities may open an *Injuries and Damages Reserve*, to which shall be credited monthly any amounts which may be charged to the proper operating expenses or other expense accounts. The amounts so charged and credited shall be such as are estimated to meet the admitted liability against it for injuries to persons and damages to property other than that of the utility, insofar as such claims can be anticipated by the exercise of reasonable judgment. All such claims, when paid to satisfy admitted liability and judgments obtained in the courts of law, shall be charged to this account.

Insurance Reserve.

Utilities may set up this reserve, to which shall be credited monthly the charges made in operating expenses to the *Insurance* account to cover self-carrying risks. When any irreparable damage to the property of the utility occurs, and the nature of such damage is such as to be covered by the provisions of self-insurance, the cost of repairing the property damaged, or the cost of its replacement, shall be charged to this reserve.

CURRENT ASSETS.**Cash.**

Charge to this account all money coming into the possession of the electric utility and in which the utility has the beneficial interest. Also charge it with all bank credits, checks and drafts receivable subject to satisfaction or transfer upon demand, whether payable to bearer or to order. All cash disbursements should be credited to this account.

Notes and Bills Receivable.

Charge to this account the cost of all notes and bills receivable which are the property of the electric utility and upon which solvent concerns or individuals are liable or which are sufficiently

secured as to be considered good. This account includes demand notes, drafts, etc., issued by others than banks, and time notes, drafts, etc., by whomever issued. This account does not include investments nor the interest or dividends receivable from investments.

Accounts Receivable.

Charge to this account all amounts owing to the electric utility upon accounts with solvent concerns other than banks; also all accounts and claims upon which responsibility is acknowledged by solvent concerns or individuals or which are sufficiently secured to be considered good and of all judgments against solvent concerns where the judgments are not appealable or suspended through appeal. Negotiable instruments will not be charged to this account.

Interest and Dividends Receivable.

When the electric utility becomes entitled to demand any interest or dividend from solvent concerns the amount to which it thus becomes entitled shall be charged to this account and shall be credited to the appropriate account in the *Income Account*. This account includes interest on matured accounts with solvent concerns and upon judgments against solvent debtors where such judgment has been suspended as well as interest upon the commercial paper of solvent concerns. It does not include unmatured interest nor dividends not yet declared.

Material and Supplies.**Fuel.***

Charge this account with the cost of all fuel purchased by the utility at its cost delivered alongside the utility's place of storage; unless purchased delivered to the place of storage. The account *Fuel Stock Expense* will be closed into this account monthly. Credit this account with all fuel used.

NOTE:—This account may be subdivided into accounts A, B and C, if desired, in order to give information regarding the cost of different kinds of fuel.

* *Fuel Stock Expense*.—Charge this account with the labor of weighing, unloading, piling and trimming coal and other fuel for storage or in unloading such fuel from cars and boats, including the cost of operating hoisting apparatus, including also the cost of shovels and other hand tools and repairs to such apparatus and tools. (This account will be closed monthly into the *Fuel Stock Account*.)

Power Plant Supplies.

Charge this account with all power plant supplies such as lubricating oils, graphite, wipers, waste, station tools, etc., including the freight and handling cost of the same. Credit with the cost of material withdrawn for use.

Electric Line Material.

Charge this account with all electric line material such as towers, poles, cross-arms, braces, insulator pins, insulators, wire, cables, line men's tools, etc., including the freight and cost of handling such material. Credit with the cost of material withdrawn.

Transformers.

Charge this account with the cost of all transformers in storage including the invoice cost, freight, and the cost of handling. Credit with the cost of transformers withdrawn for service, charging the appropriate operating expense account or the construction account as the nature of the case requires.

Meters.

Charge this account with the invoice cost, freight, and cost of handling of all meters in stock. Credit this account with meters removed from stock, charging the appropriate operating expense account or construction account as the nature of the case requires.

Lamps and Lamp Supplies.

Charge this account with the invoice cost of all arc lamps, Nernst and incandescent lamps, globes, carbons, etc. Credit this account with material withdrawn for use, and charge the appropriate operating expense account or construction account.

Electric Appliances.

Charge this account with the invoice cost, freight and cost of handling of all electric appliances embracing such articles as motors, fans, electric flat irons, vibrators, and electric heating appliances, etc. Credit the account with such appliances and merchandise sold.

Miscellaneous Material and Supplies.

Charge this account with the cost of all material purchased to be used by the electric utility and not properly chargeable to any of the preceding stock accounts at the cost of such material delivered at store room, including freight, cartage and handling. Credit this account with such material when it is taken from stock.

NOTE:—This account may be subdivided into accounts A, B and C, etc., if desired, in order to properly account for different classes of stores charged hereto.

Sundry Current Assets.

To this account shall be charged the cost of all current assets of the utility not includable under any of the preceding current asset accounts. Property readily convertible into money and which is being held with the intent of being so converted into money will be considered as a current asset and charged to this or the appropriate preceding account.

PREPAID ACCOUNTS.**Prepaid Insurance.**

When premiums on insurance policies are paid in advance of their accrual, the amounts prepaid whether paid in cash or by an issue of notes or other negotiable paper shall be charged to this account. As the premiums accrue they shall be credited at monthly intervals to this account and charged to the operating expense account *Insurance*.

Prepaid Taxes.

When taxes are paid in advance of their accrual, the amount shall be charged to this account. As the taxes thus prepaid accrue they shall be credited at monthly intervals to this account and charged to the operating expense account *Taxes*. Taxes for special benefits or special assessments for improvements will not be charged to this account.

Prepaid Interest.

When interest is paid in advance of its accrual on any obligations of the utility it shall be charged to this account. As the interest thus prepaid accrues it shall be credited at monthly intervals to this account and charged to the appropriate interest account.

Sundry Prepaid Accounts.

Charge this account with all prepaid items not includable in the preceding prepaid accounts. As the amounts thus prepaid accrue they shall be credited at monthly intervals to this account and charged to the appropriate expense account.

CAPITAL LIABILITIES.**Capital Stock.**

In the accounts of stocks outstanding a separate account shall be opened for each class of stock issued and no two stocks shall be considered of the same class unless they are equal in their interest or dividend rates, voting rights and conditions under which they may be retired, if the right to retire them is contained in the contract of issue. The characteristics of any class of stock in these regards shall be designated in the title of the accounts opened to

cover such stocks and shall be clearly expressed in the first entries to such account. To the account for any class of stocks shall be credited when issued the par value of the amount of such stock issued. If such issue is for money that fact shall be stated, and if for any other consideration than money the persons to whom issued shall be designated and the consideration for which issued shall be described with sufficient particularity to admit of identification; if such issue is to the treasurer or other fiscal agent of the corporation or if by him disposed of for the benefit of the corporation that fact and the name of such agent shall be shown and such agent shall in his account of the disposition thereof show like details concerning the consideration realized thereon, which account, when accepted by the corporation, shall be preserved as a corporate record.

Funded Debt.

The funded obligations of the utility shall be divided into classes according to their characteristics, as to the security for the same, the rate of interest, interest dates, and date of their maturity. A separate sub-account shall be opened for each such class of funded indebtedness and no accounts or debts not agreeing in the characteristics mentioned shall be included in the same sub-account. The titles of each sub-account shall express the characteristics above stated. To the proper sub-account shall be credited, when issued, the par value of the amount of the evidences of funded indebtedness issued. The entry shall show not only the amount issued but the purpose for which issued and shall make clear and intelligent reference to the corporate records showing all details connected with such transactions. If the considerations received for the issue is anything other than money, the entries shall show further to whom issued and shall describe with sufficient particularity to identify it the actual consideration received for it. If the issue is to the agent of an undisclosed principal, the name and business address of such agent and the fact of his agency shall be shown in the entry.

MORTGAGE LIABILITIES.**Real Estate Mortgages.**

The mortgage obligations of the utility shall be divided into classes according to their characteristics, as to the security for the issue, the rate of interest, interest dates, and the date of maturity. A separate sub-account shall be opened for each mortgage. The title of each such sub-account shall express the characteristics above stated. To the proper sub-account shall be credited, when issued, the total receipts from the sale of evidences of indebtedness secured by the mortgage. The entries shall show the amount of the mortgage debts, the purpose for which such debt was incurred and shall show by intelligent reference all the details connected with such transactions. If the consideration received for the indebtedness is anything other than money the entry shall show the person to whom issued and shall describe with sufficient particularity to identify it the actual consideration received. If the indebtedness is to an agent of an undisclosed principal, the name and business address of such agent and the fact of his agency, shall be stated in the entry.

Other Mortgages.

This account shall be raised to show all mortgage indebtedness and transactions pertaining thereto in regard to mortgages other than real estate mortgages as defined in the preceding account *Real Estate Mortgages*.

CURRENT LIABILITIES.

Notes and Bills Payable.

When any note, draft or other bill payable, which matures not later than one year after date of issuance or of demand or assumption by the utility of primary liability thereon, is issued or assumed, the par value thereof shall be credited to this account and when it is paid it shall be charged to this account and credited to *Cash* or other appropriate account.

Accounts Payable.

Credit this account, when incurred, with all liabilities of the utility upon open accounts not includable in any of the other current liabilities accounts.

Matured Interest on Funded Debt Unpaid.

When interest owing by the electric utility upon any of its funded indebtedness matures and is unpaid, whether the cause of failure is on the part of the coupon holder to present coupons for payment or for other reasons, it shall be credited to this account and charged to the account *Unmatured Interest on Funded Debt Accrued* to which it had heretofore been credited.

Matured Interest on Notes and Bills Payable, Unpaid.

When interest owing by the utility upon any of its notes and bills payable matures and is unpaid, whether the cause of failure is on the part of the holder of the paper to present it for payment or for other reasons, it shall be credited to this account and charged to the account *Unmatured Interest on Notes and Bills Payable Accrued* to which it had heretofore been credited.

Dividends Unpaid.

When dividends declared by the corporation become payable they shall be credited to this account and charged to the account *Dividends*.

Deposits.

Credit to this account, as such deposits are made, all cash deposited with the utility by consumers as security for the payment of electric bills. Deposits refunded shall be charged to this account and credited to *Cash*. Deposits applicable to uncollectible electric bills shall, at the close of the fiscal year or earlier, at the option of the accounting utility, be credited to the account of the consumer involved and debited to this account. Deposits made by employes or others shall also be credited to this account. Detailed records of deposits as between customers and employes will be required by the Railroad Commission.

Sundry Current Liabilities.

Credit to this account at their face value all unfunded obligations upon which the utility is liable and which are not elsewhere provided for.

ACCRUED LIABILITIES.**Insurance Accrued.**

Credit to this account at the close of each month the insurance accrued during the period in question, as determined by the policies of all insurance covering the property of the utility. When such premiums are paid they shall be charged to this account and credited to *Cash* or other appropriate accounts.

The amount set aside as an insurance reserve by the utility carrying its own insurance either in whole or in part shall be charged to this account.

Taxes Accrued.

To this account shall be credited at the close of each month all taxes accrued during the month and corresponding charges shall be made to the *Taxes* account. Credits to the account *Taxes Accrued* will be based upon estimates until the amount of the taxes levied

for the period is definitely ascertained. Such estimates shall be made upon the best data available, and as soon as the amount of taxes for the period is known, the account involved shall be adjusted to conform. When any taxes become due they shall be charged to this account.

Unmatured Interest on Funded Debt Accrued.

To this account shall be credited at the close of each month all unmatured interest accrued during the month upon the funded indebtedness of the utility. When such interest matures it shall be charged to this account and credited to the account *Matured Interest on Funded Debt Unpaid*. When paid, the interest shall be charged to the account *Matured Interest on Funded Debt Unpaid* and credited to *Cash* or to the coupon deposit account.

Unmatured Interest on Notes and Bills Payable, Accrued.

To this account shall be credited at the close of each month all unmatured interest accrued during the month upon all notes and bills payable by the utility. When such interest matures it shall be charged to this account and credited to the account *Matured*

Interest on Notes and Bills Payable, Unpaid. When the interest is paid, it shall be charged to the account *Matured Interest on Notes and Bills Payable, Unpaid*, and credited to *Cash* or other appropriate account.

Dividends Accrued.

To this account may be credited at the close of each month the amount of dividends accrued on preferred and common stock during such period at the rates of dividend payments established by the corporation. When such dividends become payable they shall be charged to this account and credited to the account *Dividends Unpaid*, in which account they shall remain until paid, when such amount shall be charged to *Dividends Unpaid*, making a corresponding credit to *Cash* or other appropriate account.

Sundry Liabilities Accrued.

To this account shall be credited at the end of each month as it accrues, any other unfunded obligation of the utility not provided for in any of the preceding accrued liability accounts, making a corresponding charge to operating expenses or other expense account.

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